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# REVIEW OF THE CLINTON ADMINISTRATION NONPROLIFERATION POLICY

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Y 4. IN 8/16:C 61/4

Review of the Clinton Administratio...

## HEARING BEFORE THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

JUNE 19, 1996

Printed for the use of the Committee on International Relations



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# REVIEW OF THE CLINTON ADMINISTRATION'S NONPROLIFERATION POLICY

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WEDNESDAY, JUNE 19, 1996

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC*

The committee met, pursuant to notice, at 11:10 a.m. in room 2172, Rayburn House Office Building, Hon. Christopher H. Smith (member of the committee) presiding.

Mr. SMITH. The committee will come to order.

Good morning.

Five years ago, when the Iron Curtain fell and the cold war seemed to end, one of the many causes for rejoicing was that our children and grandchildren need not live with the constant fear of nuclear war or of devastation by biological or chemical weapons.

Today, however, we find that these dangers have not just endured, they have multiplied. We may have squandered the wonderful opportunity that we had back in 1991.

If it is not too late to recapture this opportunity, our arms control establishment must follow a few simple rules.

First, we must not spend so much time fighting the last war that we forget to prepare for the next. Since 1991, we have paid many millions of dollars to persuade and assist the Newly Independent States of the Soviet Union to dismantle nuclear weapons. Even as this was happening, the world's No. 1 proliferator, the People's Republic of China, was transferring technology to North Korea. The free world now finds it prudent to take a multibillion-dollar nuclear reactor for the promise that North Korea's destructive nuclear technology will never be used.

Meanwhile, there is evidence that North Korea is transferring anti-ballistic missiles to rogue regimes of the Middle East. We know that China has transferred nuclear technology to Iran and to Pakistan.

Representatives of an arms company run by the Chinese Government even attempted to sell machine guns and anti-aircraft weapons to criminal gangs here in the United States.

Second, we must not be so eager to make the next deal that we ignore violations of existing agreements.

The Clinton administration's shocking decision not to impose sanctions against the government of China, despite clear evidence that Chinese Government officials knew about and orchestrated the transfer of ring magnets to Pakistan, will surely encourage similar deals in the future. On the question of arms proliferation, silence is consent. Each display of weakness serves to embolden the

proliferators and to sap even further the strength and resolve of those who would make the world a safer place.

Just let me say, parenthetically, yesterday we held approximately a 4-hour hearing with human rights organizations in my Subcommittee on International Operations and Human Rights about MFN and the human rights violations in China. And we heard from various human rights organizations—Human Rights Watch, Amnesty International, and even Harry Wu. And their collective voice yesterday stated that we had squandered an opportunity after the executive order had been set by the Administration, saying that substantial, significant progress had to be made in human rights for MFN to be conveyed for another year. When there was significant regression, that executive order was split and ripped asunder.

That kind of message not only affects China but affects every other dictator and every other rogue regime; and the same, I would submit, respectfully, is happening in the area of nonproliferation.

Finally, we must not subordinate nonproliferation to less important concerns. The Administration's decision not to impose sanctions on China conveys the strong impression that the Administration is more afraid of political pressure from multinational corporations than of allowing weapons of mass destruction to fall into the wrong hands. If these priorities are not reversed, in a few years we may be in a position of buying nuclear reactors for Iran and Iraq in the hope of persuading them not to use their bombs.

I look forward to hearing from Assistant Secretary Davis to explain some of the thinking behind these and other of the Administration's arms proliferation decisions during the last 3 years. And I look forward to hearing from our other witnesses on how we can reverse the current downward spiral with regard to these issues.

Let me just say that Chairman Gilman will be here shortly. He has been delayed and will be arriving shortly. But I do want to make a note—and this was after a consultation with Undersecretary Davis—that Secretary Davis is concerned that she may have difficulty satisfactorily answering, in public, some of our questions today. And I recognize her concerns, but I would like to stay in open session. Every member should feel that they are not constrained in any way from posing questions; but should the questions move into a territory that requires a closed session, we will do just that.

I would like to ask the distinguished gentleman from Indiana, Mr. Hamilton, for any opening statement.

Mr. HAMILTON. Well, thank you very much, Mr. Chairman. I want to say to you and Chairman Gilman how much I appreciate your calling this hearing. I think it is an important one, and the committee does need to focus on the nonproliferation efforts that are going on.

In your statement, of course, you identified a number of the challenges that are before us and they are many and formidable, in nonproliferation. This is surely one of the most difficult areas of diplomacy and of our foreign policy.

I do think it is important to recognize that there have been a number of successful efforts by this administration on nonproliferation. They include the permanent extension of the Nuclear Non-

proliferation Treaty; the dismantlement and removal of all nuclear weapons from Ukraine, Kazakstan, Belarus and those three states joining in the NPT as non-weapons states; the dismantlement of Russian nuclear missiles and launchers under the Start I Treaty is, I think, ahead of schedule; and the North Korea Nuclear Framework Agreement, which I am sure we will be getting into here in the course of the hearing, I think has been quite successful so far in heading off a threat posed by the North Korea nuclear weapons program.

But you are quite right, Mr. Chairman, in pointing out a number of very significant challenges that lie ahead of us. And we look forward very much to hearing from Secretary Davis with respect to those.

We welcome her.

Mr. SMITH. The Chair recognizes Mr. Menendez.

Mr. MENENDEZ. Thank you, Mr. Chairman.

Mr. Chairman, I want to commend Chairman Gilman for holding and calling these hearings on one of the most critical issues I think that exists in the post-cold war world.

I have been following developments regarding nuclear weapons and missile proliferation closely; and two events stand out in my mind: The export of nuclear weapons equipment by China to Pakistan, and development of Chinese M-11 ballistic missiles in Pakistan.

In February, I wrote to the Chairman requesting that a hearing be held concerning reports from the intelligence community about the People's Republic of China transferring nuclear weapons-related equipment to Pakistan.

Intelligence agencies—specifically, I think, the CIA—in published reports have determined that China has been exporting nuclear weapons equipment and M-11 ballistic missiles to Pakistan. These transfers threaten regional stability in South Asia. And recently there have been reports that Pakistan has deployed these missiles.

Throughout the 1980's, Pakistan assured the United States that it was not engaged in nuclear weapons development while it received military and economic assistance. These assurances proved hollow when President Bush was unable to certify that Pakistan was not developing a nuclear device.

Mr. Chairman, nuclear nonproliferation has been a hallmark of U.S. foreign policy. It is my personal belief that it was wrong for the Congress to grant the President authority to transfer \$368 million in sophisticated weapons to Pakistan, the country engaged in nonproliferation activities. I think we have got to take steps to end the proliferation of nuclear weapons and missiles in South Asia; and the United States must send clear signals to countries engaging in such activities.

And there is ample evidence to suggest that there is a pattern of Pakistan acquiring not only sensitive nuclear weapons-related equipment but also M-11 ballistic missiles capable of delivering a nuclear device from China.

These actions are serious violations of American law, and the United States has still not received assurances from either China or Pakistan that there will be no future activity of this type.

Last month, Beijing did not pledge to end sales of nuclear-related equipment to non-nuclear countries after the United States chose not to impose sanctions on China for exporting nuclear-related technology to Pakistan.

China and Pakistan have continuously violated U.S. non-proliferation laws, and deployment of China's M-11 ballistic missiles in Pakistan would open a new chapter in Pakistan's proliferation activities.

Mr. Chairman, it is time for the United States to develop a policy that shows that our commitment to nonproliferation is clear, and we have got to be the world leader in these efforts, and we should not stand by as egregious violations of U.S. nonproliferation laws occur.

And I hope to hear some of the testimony that will assuage me—and I think other members who are concerned about this—that that is not the way we are headed.

Mr. SMITH. Thank you very much, Mr. Menendez.

Dr. Davis, welcome to the Full Committee.

Lynn E. Davis is the Undersecretary of State for Arms Control and International Security Affairs, having joined the Clinton administration in February 1993.

Prior to taking up her duties at the Department of State, Dr. Davis was Vice President of RAND in Santa Monica, California.

Dr. Davis' previous government service includes 4 years in the Carter administration as Deputy Assistant Secretary of Defense for Policy Plans. She had previously served on the staffs of the Senate Select Committee on Intelligence and the National Security Council.

Dr. Davis has taught national security policy at the National War College and political science at Columbia University.

From 1985 to 1989, she served as director of Studies of London's International Institute of Strategic Studies.

Finally, Dr. Davis earned a B.A. at Duke University and Ph.D. at Columbia University. Her published works include: "An Arms Control Strategy for the New Europe"; "Assuring Peace in a Changing World"; "Limited Nuclear Options: Deterrence and the New American Doctrine"; and "The Cold War Begins: Soviet/American Conflict Over Eastern Europe."

Dr. Davis, welcome to the committee.

#### **STATEMENT OF LYNN E. DAVIS, UNDERSECRETARY OF STATE FOR ARMS CONTROL AND INTERNATIONAL SECURITY AFFAIRS, UNITED STATES DEPARTMENT OF STATE**

Ms. DAVIS. Thank you very much, Mr. Chairman. I am very pleased to appear before your committee to discuss the critical importance of preventing the proliferation of dangerous weapons.

The Clinton administration has made nonproliferation one of its highest priorities, and success is key to preserving the security of Americans in the post-cold war world, a world that still holds real dangers, as you have suggested, and one that presents us with many challenges ahead.

Mr. Chairman, given the sensitivity of the intelligence involved in defining and implementing our nonproliferation policies, I am prepared to move to a closed session at any time that you may

wish or return for further discussions with your committee in closed session.

But this hearing, Mr. Chairman, gives us the opportunity to describe the Clinton administration's important accomplishments in preventing the proliferation of dangerous weapons and then address some of these challenges that lie ahead.

As for the accomplishments, the indefinite extension of the Non-proliferation Treaty in 1995 without any conditions has established a permanent framework for our efforts to prevent the spread of nuclear weapons.

The U.S.-North Korea Agreed Framework has frozen the North Korea nuclear program. Implementation of this framework in the coming years will remove the nuclear threat posed by North Korea to regional and global stability.

Through U.S. efforts, nuclear weapons have been removed from the territories of Ukraine and Kazakstan; and a small number of remaining weapons in Belarus will be removed this year. And each of these countries is now a non-nuclear party to the Nonproliferation Treaty.

Highly enriched uranium extracted from dismantled Russian nuclear weapons is being converted to commercial reactor fuel for delivery to the United States. And in the coming year, we will be working with Russia and the other Newly Independent States to improve the security at more than 35 fissile material storage sites—roughly three-fourths of all such locations—and provide better accounting for the hundreds of tons of weapons-usable nuclear material.

The U.S. leadership at the Moscow summit this past April achieved a very strong endorsement of the international efforts to strengthen the IAEA safeguards, and the launching of a multilateral program to combat nuclear smuggling involving the G-7 countries, Russia, and Ukraine.

The Moscow nuclear summit achieved the initiation of a systematic study for international cooperation to dispose safely of excess plutonium from dismantled weapons and Russian endorsement of the principle of safety first in the operation of nuclear power reactors.

The United States played the principal role in helping the United Nations build a strong mechanism to monitor Iraq's capabilities to produce weapons of mass destruction and in maintaining support for continuing economic sanctions against Iraq pending Iraq's compliance with all of its Security Council obligations.

Russia, Brazil, Argentina, South Africa, South Korea, and Ukraine are now committed to preventing the spread of missiles and missile-related technologies. And China is carrying out its 1994 commitment to a global ban on sales of MTCR-class ground-to-ground missiles.

The United States obtained clarifications and assurances regarding China's nuclear nonproliferation policies, including a significant new public commitment not to provide assistance to unsafeguarded nuclear facilities.

Russia is carrying out its agreement with the United States to close down its arms sales to Iran in the coming few years and in the future not to transfer arms or arms-related technology to Iran.

Let me now, though, turn briefly to the nonproliferation challenges ahead.

We are giving our immediate attention to concluding a Comprehensive Test Ban Treaty. A Comprehensive Test Ban Treaty will be truly comprehensive, which will have the effect of constraining the development of nuclear weapons among nuclear aspirants and threshold states as well as the development of new types of nuclear weapons by nuclear weapons states.

Under a Comprehensive Test Ban Treaty, the United States will, at the same time, retain confidence in the safety and reliability of our nuclear stockpile.

The Clinton administration also attaches high priority to strengthening the international norms against chemical and biological weapons and calls upon the Senate to ratify the Chemical Weapons Convention.

We remain deeply concerned by Iran's pursuit of weapons of mass destruction, particularly, nuclear weapons. Our policy seeks to end all nuclear cooperation with Iran and prevent transfers of any nuclear material, equipment, or technology to Iran.

We have been encouraged by Russian statements opposing Iran's acquisition of nuclear weapons, but our task remains to convince the Russians that any nuclear cooperation—even that which is permissible under the Nonproliferation Treaty and subject to IAEA safeguards—serves that purpose, including the provision of light water reactors, which we would oppose.

The President recently determined that continuing assistance to support democratic and economic reform in Russia is important to the United States and to our national security interests and, thus, invoked the waiver provision of the Foreign Operations Appropriation Act regarding nuclear cooperation with Iran.

The President's decision to take this step reflects the view that cutting off assistance to Russia at this juncture would not positively affect the dialog on limiting Russian nuclear cooperation with Iran and would undercut the reform process in Russia, a reform process that we remain deeply committed to supporting.

Last fall China suspended its plans to sell Iran two small power reactors due to difficulties in site selection and financing. Its cooperation with Iran appears consistent with its NPT obligations, and we have no reason to believe that China would knowingly assist Iran to acquire nuclear weapons.

Nonetheless, we will continue to oppose the Chinese Government's cooperation with Iran's civil nuclear program, emphasizing that such cooperation will help to build a nuclear infrastructure that could assist Iran's acquisition of nuclear weapons.

Ours is a long-term strategy, Mr. Chairman. Iran's financial difficulties will affect its ability to pay for nuclear facilities it hopes to acquire. And with time, we expect there to be more direct evidence of Iran's nuclear intentions. Both of these factors work in our favor; but in the meantime, we will continue to press for the termination of all Russian and Chinese nuclear cooperation with Iran.

We also continue, Mr. Chairman, to have concerns—as have been raised by you and others—regarding Chinese missile cooperation with Pakistan and Iran, transfers by Chinese entities of dual-use

chemicals and equipment that could be used in Iran's chemical program, and China's transfers of conventional weapons to Iran.

We have raised our objections to each of these activities at the very highest levels of the Chinese Government and continue to work to keep these from happening in the future.

Finally, the challenge of enforcing Iraqi compliance with Security Council resolutions will continue to require our energetic diplomacy and support for U.N. operations. The Iraqi regime must not be allowed to interfere with the work of UNSCOM. UNSCOM must receive immediate and unrestricted access to Iraqi facilities.

Let me conclude, Mr. Chairman, by emphasizing, again, the critical priority that the Clinton administration places in assuring the security of Americans through the prevention of the proliferation of dangerous weapons. We are committed to these nonproliferation goals. We are ready to work to accomplish those goals through a variety of different instruments and ways, including most-intensive diplomacy. In this case, U.S. leadership has been essential to our successes to date, and we remain poised to continue that leadership as we face these remaining challenges.

Thank you very much.

[The statement of Ms. Davis appears in the appendix.]

Mr. SMITH. Thank you very much, Secretary Davis.

Let me begin the first round of questioning and then yield to my colleagues.

Does the State Department have any evidence that China has transferred to Pakistan missiles capable of carrying a 500 kilogram warhead 300 kilometers, specifically since October 4, 1994, when China last agreed not to make such transfers?

Ms. DAVIS. Mr. Chairman, we, as you know, on the basis of the information available to us in 1993, imposed sanctions on China for missile-related items, demonstrating our willingness and preparedness to impose sanctions when the evidence was presented to us.

Through negotiations with the Chinese during 1994, the Chinese made a commitment, as I said in my opening remarks, to a ban globally on the export of MTCR-class missiles around the world. And in that context, we lifted the sanctions that we had put in place in 1993.

We believe that the Chinese are carrying out that commitment that they made in 1994. And so in answer directly to your questions, we have no information that suggests that they are not carrying out that commitment that they made in 1994.

We do have reports along the way as to various activities that might have occurred prior to that commitment, and we look at those and take those reports very seriously. But at this point, we have no information that would lead us to such a determination at this point in time.

Mr. SMITH. According to a Washington Post article on March 8, 1996, U.S. intelligence officials acknowledged that China had transferred, "Several virtually complete factories to Iran suited for making deadly poison gases."

This act violates U.S. law, as you know, as well as China's pledge to abide by a global treaty banning such assistance.

What has been the Administration's response to that transfer?

Ms. DAVIS. Mr. Chairman, as I mentioned to you, we can go into far greater detail in a closed session about the various reports that we have.

But the main point for this hearing is that when we receive such reports, we look at these very seriously and look at each element of the laws that are applicable to these reports.

In this case, we are reviewing the reports because, as you know, we have concerns that Iran is seeking to acquire chemical weapons through various kinds of equipment and dual-use items. We seek to block that from any country. And when we receive those reports, we raise these at the very highest levels in various countries.

At this point we do not have the kinds of information that would lead us to make that determination, but we review these reports very carefully.

Mr. SMITH. What would you expect the response to be? I mean, is any of this information credible about that transfer to Iran?

Ms. DAVIS. Well, it places me in a somewhat difficult situation as your expert on all of the details of these reports. And, again, I would wish to offer to the committee the fullest briefings on this information.

What I can tell you is that such reports indicate to us what we believe to be the case, and that is, Iran is seeking worldwide to acquire chemical weapons, the equipment, and dual-use items that would go into that, and makes even more important our efforts to keep that from happening.

Mr. SMITH. U.S. Admiral Redd of the Fifth Fleet has said that the Chinese cruise missile sale to Iran is a threat to the American troops in the Gulf.

What is the status of your determination on whether this transfer violates the Iran/Iraq Nonproliferation Act? And when will a determination be made?

Ms. DAVIS. In my longer, prepared testimony for your committee, I went into somewhat more detail about this evidence than I did in my opening remarks.

Let me refer you back to that by saying that we are addressing the transfer of Chinese built C-802 cruise missiles to Iran under the Iran/Iraq Arms Nonproliferation Act.

The act provides the imposition of sanctions when a foreign person or country transfers goods or technology so as to contribute knowingly and materially to the efforts by Iran or Iraq to acquire destabilizing numbers and types of certain advanced conventional weapons.

We see evidence that these cruise missiles are there. They have been tested. So our task now is to evaluate those reports of the character of those missiles, the numbers, and kinds of equipment to see whether it fits within the elements of that law and make that determination. It is under review, and we are working to complete that review.

Mr. SMITH. Can you give us any expectation as to when that determination will be made?

Ms. DAVIS. Mr. Chairman, one of the things I've learned in this position is not to make promises as to when it is that we are able to complete this. We are looking at it, and we will do it as quickly as we can.

Mr. SMITH. You can understand our concern, especially when U.S. lives are put in constant danger.

Ms. DAVIS. Mr. Chairman, I share your concerns. And, indeed, the fact of the transfer of these cruise missiles is of very great concern to us.

As you also know, we have worked very hard with various countries to keep countries from selling arms to Iran. We believe the dangers of any sales of weapons to Iran is a danger to our own security.

We have been able to bring about common policies with respect to trade to Iran among the 30 countries that are currently participating in a new regime covering conventional arms. Most importantly, we were able to bring about an agreement with Russia to close down their arms sales to Iran. And all of the other 30 countries in this new regime have common policies not to trade in weapons and weapons-related technologies to Iran.

So that is the good news. The bad news is that the Chinese are still continuing such activities, and we are working hard to keep that from happening in the future as well.

Mr. SMITH. Thank you very much, Ms. Secretary.

Mr. Hamilton.

Mr. HAMILTON. Secretary Davis, the Conference on Disarmament is scheduled to end June 28th. Will we have a Comprehensive Test Ban Treaty?

Ms. DAVIS. Congressman Hamilton, we are working with every effort that we can to conclude that treaty by the 28th of June, as you suggest, as our goal.

We are close. We are meeting daily. And I very much hope that that will be the report that we will have at that time.

Mr. HAMILTON. Is the issue of entry into force the major obstacle at this point?

Ms. DAVIS. Well, I am not going to be able to go into all the details with you at this point of the negotiations; though, I would be happy to go through some of that in a more private setting.

What I can say is that we are down to some of the last hard issues. One of those is the entry into force issue, that is, what will be the requirements for the treaty to enter into force?

But more important we want to bring about a complete text and have this opened for signing in September at the U.N. General Assembly, and I think we are on track to do that.

Mr. HAMILTON. The reports are that the members of the U.N. Security Council, other than the United States, believe the treaty should enter into force only if India, Pakistan, and Israel sign and ratify.

Are we isolated on that point? Or do you not want to comment on that?

Ms. DAVIS. Our goal has been to bring about a global treaty that would have all the countries of the world participating; that is, a successful global convention is one in which all the countries around the world join with us.

And that remains our goal, including the threshold states, and of course the nuclear powers.

Mr. HAMILTON. OK. Let me just ask you a series of very brief questions about the North Korean agreement to see if I understand the current status of it.

The North Korea nuclear weapons program today is frozen; is that correct?

Ms. DAVIS. That is correct.

Mr. HAMILTON. The North has shut down its only operating reactor; is that correct?

Ms. DAVIS. That is correct.

Mr. HAMILTON. The North has halted construction on the two new reactors it was building; is that correct?

Ms. DAVIS. That is correct.

Mr. HAMILTON. Has the North sealed its reprocessing facility and stopped construction on a new processing line?

Ms. DAVIS. Yes.

Mr. HAMILTON. Has the North refrained from reprocessing its spent fuel rods?

Ms. DAVIS. Yes. And this is certified by the fact that the IAEA is in North Korea watching over these activities.

Mr. HAMILTON. And if it had gone ahead with the reprocessing, that would have given them enough plutonium for several nuclear weapons, would it not?

Ms. DAVIS. That is correct.

Mr. HAMILTON. So, in effect, what North Korea has done is to give up plutonium sufficient for several bombs, right?

Ms. DAVIS. That is correct.

Mr. HAMILTON. Has the North lived up to its obligations under the NPT by agreeing not to reprocess its spent fuel and by shutting down the reprocessing facility?

Ms. DAVIS. That is an additional requirement that the North Koreans have undertaken beyond that which would be required under the Nonproliferation Treaty as part of the overall framework.

Mr. HAMILTON. They have actually gone beyond the treaty at that point.

Ms. DAVIS. That is correct.

Mr. HAMILTON. They have admitted IAEA inspectors into their nuclear facility, have they?

Ms. DAVIS. The IAEA is there watching over their activities so that we have confidence in the statements that I have just made to you.

Mr. HAMILTON. And the inspectors have been given access to carry out their responsibilities?

Ms. DAVIS. That is correct.

Mr. HAMILTON. And has the IAEA been permitted to apply safeguards even on some of the nuclear facilities not covered under the framework agreement?

Ms. DAVIS. We can get you the full details of that. But what the IAEA has been asked to do and been able to give confidence back to us about is that the commitments that the North Koreans have made with respect to the freezing of their program are the commitments that are being carried out.

Mr. HAMILTON. All right. And has the North admitted U.S. technicians into its nuclear facilities?

Ms. DAVIS. We have been there helping in containing the spent fuel that has come out of this reactor. So the answer is, yes.

Mr. HAMILTON. Now, what has the United States done—or I should say provided—to North Korea in exchange for these benefits? How much have these concessions cost us?

Ms. DAVIS. Well, as you know, we have made a commitment of some few millions of dollars—and I can get you the precise figures—in order to help provide alternative heavy oil to the North Koreans for their foregoing the nuclear energy out of their nuclear reactors and have also spent some few millions of dollars in the administrative costs for the organization that has been set up now to carry through this overall framework, the KEDO organization.

Mr. HAMILTON. I may submit some questions to you. I have time for one other question now.

One of the arguments we hear frequently on the ABM Treaty is that it is a cold war relic; it should be scrapped.

Could you state for us fairly succinctly what you think the relevance of the ABM Treaty is today, whether the doctrine of nuclear deterrence is still relevant and why?

Ms. DAVIS. The Clinton administration feels very strongly that the ABM Treaty is important to overall stability and to the security of the American people because it provides the framework in which we and Russia are moving to take very significant reductions in strategic nuclear arms.

The Start II treaty will require both countries to reduce by more than two-thirds their overall nuclear arsenals. So it provides the framework, the confidence that we can make the significant reductions within an overall state of security, nuclear deterrence, and stability.

I might also go on to say, though, that we believe equally firmly that to protect America's security we must go ahead with the deployment of theater missile defenses. We do not believe that there is any contradiction between that. Indeed, we agreed with the Russians that both of us believe that moving ahead with our programs covering theater missile defenses are consistent with the ABM Treaty and maintaining that treaty.

Mr. SMITH. Before we suspend for a brief recess—because there are two back-to-back votes occurring on the floor—I would ask for a point of clarification to a question from my friend from Indiana regarding North Korea.

The Congressional Research Service in a report dated June 18, 1996, written by five specialists, including Robert Shoey, points out that the International Atomic Energy Agency has sought to inspect fuel rods prior to encasing, in order to obtain evidence regarding the amount of plutonium that North Korea might have obtained from prior fuel rod removals from the reactor. North Korea—the report goes on to say—has barred the IAEA from making such an inspection.

Ms. DAVIS. To that question specifically, we have been asking for some information that we have not received. But that goes to the issues of what happened in the past. And if you will recall, in the Agreed Framework, that was agreed between the United States and North Korea, one of the tasks still ahead is to discover all that we need to understand about past North Korean activities.

And the framework will not be completely implemented nor will the light water reactors provided under this agreement be put in place until we have a full understanding of that history.

So we would agree with you that still ahead is finding out, to the satisfaction of the IAEA, precisely what happened in the past.

Mr. SMITH. But, again, it is very clear that they are barring us. I mean, there is not a sense of openness or transparency. The IAEA is being barred from this information. But you are suggesting that that is part of the agreement that we signed onto?

Ms. DAVIS. Part of the agreement is that we will find answers to those questions and that the IAEA will be the instrument through which we find those answers. And we will not be satisfied that we have implemented this agreement until we have the full answers.

We are sorry that this has not happened. We have asked the IAEA to continue to push.

But the main point here is that the framework is on track in its implication, but it will not be finally implemented until we have a full knowledge of the history.

Mr. SMITH. How important is it to the Administration that the IAEA get access?

Ms. DAVIS. We have to understand that history. That is part of the agreement.

Mr. SMITH. So this is non-negotiable, something that we are going to—

Ms. DAVIS. We have to understand the history. And the means by which we find the history, we have asked the IAEA to take the lead in doing. We need to understand the history before we have finally implemented the agreement.

Mr. SMITH. OK. The committee will take a very brief recess and then resume its sitting.

[Recess.]

Mr. SMITH. The committee will resume its sitting.

Secretary Davis, let me begin with a series of questions.

What message do you believe we sent the Chinese when the Administration decided not to impose sanctions for their transfer of ring magnets to Pakistan?

Ms. DAVIS. Mr. Chairman, the decision with respect to Chinese sales of ring magnets to Pakistan begins with the commitment that the Chinese made with respect to their future nonproliferation behavior. And they made a public commitment that they would not provide assistance to unsafeguarded facilities.

They further, through the course of our understandings and discussions with the Chinese, understand that this would mean that they would be precluded from any future transfers of ring magnets to unsafeguarded facilities.

So through very intensive negotiations, the Chinese made this public and new commitment which clarifies the commitments that they had taken earlier under the Nonproliferation Treaty. It was on the basis of this new public commitment that the United States did not impose the sanctions.

But, Mr. Chairman, the important point here is that we received this commitment that what had happened in the past would not happen again.

We will monitor that commitment. We will always have the option in the future, if they did not carry out this commitment, to move toward a sanctions decision and impose sanctions if it violated our laws.

But the important point here is that they have made this public commitment, public statement based on understandings and exchange of statements between our two countries.

Mr. SMITH. Pardon me for pressing this, but the Chinese have broken commitment after commitment after commitment. They have done it in the area of human rights. They have done it with impunity. They have done it with the Memorandum of Understanding in dealing with the use of gulag labor. And we have had, in my subcommittee, two hearings focusing, first, on survivors of the laogai, where many of the materials are made for export. They have come up with a proposal at the 11th hour. We agree to it. It looks good on paper, but it is not worth the paper it is printed on.

Again, they have broken their promises on human rights. They have already announced vis-a-vis Hong Kong that the freely elected legislature is null and void, it is a thing of the past, a relic, on the day that they take over.

Many thought that the Hong Kong judiciary would survive, that the rule of law had a chance of surviving after the PRC, after Beijing takes over; and yet they have been told, "Your allegiance is to Beijing or else you are out or you are going to find yourself being a paper clip pusher."

There is no power left. Those people are losing it.

Now we see a situation where the horror stories are real, in the area of nonproliferation or proliferation, the ring magnets and a host of other breaches of internationally recognized treaties, as well as our U.S. law.

And we are taking a mere promise for the future. It is like a criminal committing an act over and over again and then saying to the judge: I will not do it again. And then he gets not even a suspended sentence, but walks free completely.

And that is what I think we are doing with the Chinese. I find it unbelievable that we will accept their word when their word has not been worth much in the past. I know that in the world of diplomacy, you are supposed to be nice and we are supposed to clink glasses and exchange diplomatic toasts.

But this is a dictatorship that tortures its people. Yesterday we went through 4 hours of hearings listening to the mainstream human rights organizations like Amnesty International, detail, with nauseating detail, exactly how cruel this dictatorship is. And now we have learned—and I do not think there is any doubt as to the facts—that they are arming rogue regimes; they are arming the Pakistan Government with a capability that will enhance their weapons of mass destruction. And then we say we take their promises?

When I heard the State Department's statements relevant to this breakthrough, that we have gotten assurances, all I thought was: their record has been a disaster.

Why would any reasonable person, man or woman, believe the Chinese now?

Ms. DAVIS. Mr. Chairman, let me focus on the areas where I am most expert and where your question is most directed, without comment go on the other areas where you are far more expert than I am.

With respect to Chinese nonproliferation behavior, let me make two very important points. The first is that we have worked hard to come to a public commitment on the part of the Chinese with respect to their trade in missiles, ground-to-ground missiles with the capabilities covered by the MTCR. We worked hard to achieve that commitment made by the Chinese in 1994; and as I have earlier stated, we believe the Chinese are carrying out that public commitment.

We have concerns about other Chinese behavior that I went through in the course of my presentation, have raised these concerns at the very highest levels with the Chinese and are working to change that behavior in the future.

With respect to the ring magnet issue, we worked again through very intensive diplomacy by raising the prospect that there could be costs to the Chinese if they were not prepared to change their behavior, and they have made this public commitment.

At least on one occasion before, they have carried out this public commitment. And we would look to the Chinese to carry out this new public commitment with respect to not providing assistance to unsafeguarded nuclear facilities.

And, as I said earlier, we monitor this closely. We have also agreed with the Chinese to begin export control discussions to ensure that they have the means to implement this public commitment that they have made. We have some reports that they are beginning to tighten up these controls, but there is still much work to be done before we would have confidence that they would be able to assure us in the future.

Nevertheless, this public statement represents, as Secretary Christopher has said, a significant step forward in trying to bring about the kind of nuclear nonproliferation behavior that is consistent with our understanding of what is required of those who are parties to the NPT, consistent with the behavior that we undertake as parties to the NPT, and one that we would very much hope the Chinese will carry out in the future.

Mr. SMITH. Secretary Davis—and then I will be yielding to the distinguished chairman from New York, Mr. Gilman—in the statement of May 11, 1996, the Chinese official news agency made the statement that China strictly observes its obligations under the Treaty—talking about the nonproliferation of nuclear weapons—and is against the proliferation of nuclear weapons. China pursues the policy of not endorsing, encouraging, or engaging in the proliferation of nuclear weapons—and on and on.

I mean, at face value, that is untrue. They have not done that in the past. And perhaps you can enlighten us otherwise. So they are saying that they have not done it. And then they say China will not provide assistance to unsafeguarded nuclear facilities.

Where specifically does it say they will not transfer ring magnets?

Ms. DAVIS. Two points coming back. I have the statement that the Chinese made at the time of this agreement; and as you read

through this language, it talks to the commitment that the Chinese have made, which is that they will not provide assistance to unsafeguarded nuclear facilities. Will not. That is a future commitment.

As I have already said to you, we believe that the Chinese did transfer these ring magnets to Pakistan in the past and that, in our understanding, is not consistent with their obligations as a party to the Nonproliferation Treaty.

We came to the judgment that the senior officials in the Chinese Government did not themselves know about this particular transfer and, therefore, under the law, this transfer was not willfully an act by the Chinese Government.

Nevertheless, the point here is that they made this future commitment.

Through our discussions with the Chinese, we have also come to a clearer understanding that this policy now of not providing assistance to unsafeguarded facilities will preclude them from any future transfer of ring magnets to unsafeguarded facilities.

This is part of the understandings upon which the public exchange of statements was made.

So the point here is that we have been able to clarify and gain assurances about future Chinese behavior, behavior that in the past was of concern for us for the reasons that you have described and behavior that we would not wish to see happen again.

Mr. SMITH. Again, Nicholas Burns on May 10 said that they have confirmed our understanding that China's policy will preclude future transfers of ring magnets to unsafeguarded facilities.

They did not say it. We have not seen them say it. They did not say it on May 11th. And my understanding is that they have not said it. And I would love to see it if they said it. To this particular member, acquiescing to this type of diplomatic fiction is unbelievably naive; it puts our children, and regional and world peace, I think, at great risk.

Ms. DAVIS. Let us test that, Mr. Chairman. This is a public commitment. We will monitor it very closely. We will come up and discuss the——

Mr. SMITH. Have they kept their previous commitments?

Ms. DAVIS. I have described to you that they have kept their previous commitment with respect to the transfers of ground-to-ground missiles of MTCR class that they made with the United States in October 1994. They have kept that commitment, to the best of our understanding at this present time.

Chairman GILMAN. [Presiding] Madam Secretary, I regret that I had to be at a couple of other hearings while this was going on; but I want to welcome you in our discussion on U.S. nonproliferation policy.

As I have stated on other occasions, no more critical threat is facing our nation than the proliferation of weapons of mass destruction and conventional arms.

And whether it is continued transfers by China, the simmering situation in North Korea, the threat of nuclear leakage from Russia, or the troubling levels of worldwide conventional arms transfers, it is absolutely fundamental that we get this policy right.

And, frankly, I am somewhat distressed by the Administration's policy up to now. I do not see any evidence that fighting proliferation of nuclear, chemical, and biological weapons and their delivery systems is among our highest national security priorities.

You and I know that fighting proliferation is not about getting meaningless pledges from governments that do not have a good track record of adhering to earlier pledges, and fighting proliferation is not about ignoring overwhelming evidence of illegal transfers.

Fighting proliferation is not about continuing to provide subsidies to known proliferators. And fighting proliferation is most certainly not about lowering our standards to allow some nations to become members of nonproliferation regimes.

Fighting proliferation is about changing the behavior of bad actors. It is about making clear the repercussions to other governments what will happen if transfers do occur, including holding out the imposition of sanctions.

Sanctions, of course, are not the end-all, be-all cure for proliferation; and we recognize that. But if our nonproliferation policy is to have any credibility, then the Administration must take more seriously our nonproliferation laws. And right now, this administration is not adhering to that principle and is somewhat making a mockery of those laws.

In our invitation letter to the Administration for this hearing, I asked them to address how our nonproliferation laws, including sanctioning regimes could be made more effective. It is my view that the laws need rewriting.

In all too many cases, I believe that the attorneys and the policy-makers at the State Department have erected hurdles that were not intended by the original authors of the legislation and are used to prevent the imposition of sanctions.

Partially, there is a difference in philosophy between the two branches of government. The State Department believes that if it has to resort to imposing sanctions, then its policy has failed. In one sense that is true because the imposition of sanctions occurs after a transfer has taken place.

But in another sense, this could not be more wrong because a repeated record of failing to impose sanctions leaves a legacy of impotence, and it sends exactly the wrong message. It sends a message that in this administration's foreign policy priorities, fighting proliferation does not rank at, or even near, the top. It sends a message that no one is paying any penalties for proliferating.

Yes, sanctions make diplomats' life difficult, but you just cannot have carrots in your bag. Certainly that is the message we sent to the Chinese as a result of the recent decision by the Administration to forego imposing sanctions on China for transferring the ring magnets to Pakistan.

Let us examine what the Administration received from the Chinese in return for not imposing sanctions. Basically we received two pledges, first a pledge that Chinese would not provide assistance to unsafeguarded nuclear facilities; and, second, a pledge that they would agree to ongoing consultations with us with regard to establishing effective nuclear export controls.

Please bear in mind that we are talking about pledges from a government that has made a number of pledges to us over the years on proliferation matters. And most of those pledges have had to be, and I quote, "clarified" because the Chinese seem to have a different idea than we do of what honoring obligations and commitments mean.

With that said, it is the first pledge that really troubles us. For, in effect, we agreed to waive sanctions in return for a pledge that the Chinese already made 4 years ago when they joined the Nuclear Nonproliferation Treaty. And under that treaty, it is the obligation of any party to forego exports to unsafeguarded nuclear facilities.

Even more telling, that pledge fell significantly short of the international standard, the standard to which members of the Nuclear Suppliers Group adhere, which is not to provide significant nuclear assistance to any nation that refuses to accept safeguards on all of its nuclear facilities.

Pakistan, of course, refuses to accept full safeguards. Therefore, China can still honor its pledge to us and continue to transfer ring magnets to Pakistan as long as it is to a safeguarded facility.

Well, let us draw our own conclusions about what programs those ring magnets will likely end up benefiting.

The Chinese should be held to the very same standards as other major nuclear suppliers. Our nation should insist that any existing Chinese commitments on nonproliferation should no longer be shrouded in secrecy.

I do not want to be uniformly critical of the Administration; although, it may sound like that at this point. I do want to recognize a success that the Administration has had in securing the withdrawal of both tactical and now strategic warheads from the Ukraine, from Belarus, and Kazakstan.

It is my understanding that the remaining 18 strategic warheads in Belarus will be withdrawn to Russia by the end of the year. That is a significant achievement for U.S. foreign policy, and I commend you and your office for your work in that direction.

I know I have given a very lengthy opening statement, but I want Undersecretary Davis to understand just where we are coming from.

Now, let me ask you just one or two questions, and then I will turn to Mr. Berman.

Does Pakistan have an operational M-11 HATF series or other ballistic missiles capable of carrying a 500 kilogram warhead 300 kilometers?

Ms. DAVIS. Thank you, Mr. Chairman. I had a number of thoughts as I listened to your opening remarks; and some of these I had already shared with your colleagues in the course of my opening remarks, as well as in answer to the questions with respect to the nuclear nonproliferation issues with the Chinese.

Let me just come back, if I might, on the ring magnet issue for a couple of points; and then we can go to your second question.

The important policy achievement, through our discussions with the Chinese over their nuclear cooperation with Pakistan, is now the public commitment not to provide nuclear assistance to unsafeguarded facilities and a clarification through our discussions

that we understand that commitment in similar ways and that it would preclude the transfer of ring magnets, as had occurred in the past, in the future.

We will continue to monitor that commitment. Nothing in our agreement would prevent us from imposing sanctions in the future if there is misbehavior by the Chinese in the future. And, clearly, in the future there would be no issue as to whether senior officials knew or did not know about such transfers because they have now been put on notice and on record about such transfers.

So that is what has been achieved.

In the course of our deliberations that led to this Chinese commitment, you will recall that we suspended the Eximbank loans for that time, which is what would have been imposed had sanctions been imposed.

As Secretary Christopher has said, the threat of those sanctions clearly worked to help achieve this nonproliferation success. And the fact that sanctions continue to exist offers a deterrent to future Chinese misbehavior.

Those sanctions very much helped us achieve the result that we achieved which would not, of course, been achieved had we simply gone ahead with sanctions and had not been able to bring about this commitment.

Chairman GILMAN. Madam Secretary, how did the new commitment differ from the 1992 commitment?

Ms. DAVIS. Well, in one respect, the Chinese had in their commitments to the Nonproliferation Treaty taken upon themselves this obligation.

But as you have said, and we have said, they were carrying out that obligation in ways that caused us some real concerns, including this matter of the transfer of the ring magnets.

Now, we have gotten a public commitment that clarifies the understanding of what their obligations are and also sets in process discussions with respect to export controls that will help the Chinese ensure that they can implement this commitment.

And we will continue to monitor that commitment so that we will test the hypotheses as to whether or not this public commitment is carried forward or not.

But now we have that commitment, and it is now something that we will be watching very carefully in the future.

Chairman GILMAN. Madam Secretary, did the transfer of the ring magnets violate the 1992 commitment?

Ms. DAVIS. In our view our understanding of those commitments, and the way we would act under our own commitments of the NPT, we would not be transferring ring magnets. And, therefore, it would not be consistent with our understanding.

We raised the concerns with the Chinese. We walked them through why it was that we would have these concerns, and they have now committed not to do this in the future. So that is a step. It is a step of a public commitment that clarifies how they view the obligations that they took upon themselves in 1992.

Chairman GILMAN. So, essentially, the new commitment is not in variance with the former 1992 commitment; is that correct?

Ms. DAVIS. But there are now assurances that they will carry it forward.

Chairman GILMAN. Well, I hope the assurances now will be better than the 1992 assurances.

Could you answer the question I asked about Pakistan having operational M-11's or other ballistic missiles capable of carrying a 500 kilogram warhead some 300 kilometers?

Ms. DAVIS. As you know, Mr. Chairman, this involves intelligence matters and conclusions that are made by our intelligence community; and I would welcome the opportunity, in a closed session, to discuss that with you.

Chairman GILMAN. Would you be able to make a determination of that in the near future and advise our committee?

Ms. DAVIS. What I would like to do, Mr. Chairman, is offer to you a discussion in closed session about what it is that are the considerations that would go into such a judgment on the part of the intelligence community and have the intelligence community lead that discussion.

Chairman GILMAN. You are suggesting an executive session to do that?

Ms. DAVIS. I would be happy to do it in executive session.

Chairman GILMAN. We will then ask you to appear at a closed briefing at a later date to provide that information.

Ms. DAVIS. I would be happy to do that.

Chairman GILMAN. Has Pakistan equipped any military unit with these kinds of missiles?

Ms. DAVIS. Mr. Chairman, I think I am going to ask to have a similar discussion about such evidence in an executive session.

The important point here, though, is—and this goes back to an earlier comment that you made with respect to our willingness to carry out the sanctions legislation—that is, we review the evidence daily that comes in with respect to the behavior of countries around the world and how it is that they are carrying out the goals that form the centerpiece of this legislation.

We are prepared to make those sanctions determinations. We have not been afraid to make those determinations in the past. And we will be prepared to go through with you the considerations that would lead to such determinations.

Important here, though, is that we hold to a very high standard of evidence when we make these determinations and come to these judgments consistent with the law, for the obvious reasons that any mistake would have foreign policy implications and could affect our economic interests.

The fact is, though, that we watch over this daily; and we are prepared to share with you and your staff this information that we have and the considerations that go into the decisions where we have imposed sanctions.

There have been a number of cases where we have imposed sanctions and those where we still are reviewing the evidence because it has not yet met this very high standard.

Chairman GILMAN. Have the Chinese technicians helped Pakistan developed its series of ballistic missiles?

Ms. DAVIS. Again, Mr. Chairman, I would like to reserve that discussion for an executive session.

Chairman GILMAN. Well, you get this kind of information, though, I would assume, as you indicated on a daily basis so that

you can make a determination whether there is any proliferation or not; do you not?

Ms. DAVIS. We do. We receive this daily. The intelligence community then periodically will review the information, collect it for us, and provide it in a more formal statement.

But day-to-day we watch over this. And when the evidence is there that would require a sanctions determination consistent with the elements of the legislation, we would go forward. That legislation covers the whole range of weapons of mass destruction, of missiles, sometimes that is reasonably complex, as some of your colleagues have suggested.

But the point here is that we have made the hard choices to take sanctions decisions. You know that because we brief your committee each time this happens, and we are prepared to do that in the future.

Chairman GILMAN. Have you received any information that would lead you to make a determination that China has breached its agreements in providing missile technology or missile preparation to Pakistan?

Ms. DAVIS. If I had that evidence, I would make that decision. It would happen at that point in time.

Chairman GILMAN. So you do not have that evidence at this point? Is that what you are telling me?

Ms. DAVIS. At this moment in time.

Chairman GILMAN. According to a Washington Post article of March 8, 1996, intelligence officials acknowledged that China has transferred several virtually complete factories to Iran suited for making deadly poison gases, an act which would violate U.S. laws as well as China's pledge to abide by a global treaty banning such assistance.

Have you received information with regard to that? And if so, what have you done with regard to your response to that transfer?

Ms. DAVIS. Mr. Chairman, that had come up somewhat earlier in my presentations; and let me say first that I would, again, wish to comment on the intelligence behind those reports in executive session; but to then make the policy point that I had earlier made.

And that is that we have real concerns that Iran is seeking to acquire chemical weapons, the equipment, the items that would go into the ability to produce these within their own countries. We pay special attention to that. Any reports that we have, we go through this process that I have just described to you, to see whether there have been both violations but, more importantly, whether we can find ways, if we get early enough reports, to work with the country or the companies involved to keep it from happening, because sometimes this is happening without the full knowledge of the countries themselves.

So from a policy point of view, we have these concerns; and we would work very hard with the Chinese and others when we hear reports that this may be under way. We have raised these kinds of concerns with the most senior officials of the Chinese Government.

Chairman GILMAN. You have already taken up those concerns about the transfer of this kind of a chemical factory to Iran?

Ms. DAVIS. Well, let me say we have taken up the general point about our worries about Iran. And with respect to this particular evidence, I would like to share that with you in executive session.

Mr. SMITH. Would the gentleman yield on that point?

Chairman GILMAN. Yes, I would be pleased to yield to the gentleman.

Mr. SMITH. As much as you can tell us—and hopefully it is more than just “wait until a closed session”—what has been their response? Are they denying it? Did they engage in this kind of transfer? Are they saying that the information that we have, including the piece by Mr. Jeffrey Smith of the Washington Post, is in error?

Ms. DAVIS. I would defer to an executive session.

Chairman GILMAN. Madam Secretary, your testimony indicates that our nation has an agreement with our G-7 partners that, and I quote: “Our policy remains to oppose all nuclear cooperation with Iran and prevent transfers of any nuclear material, equipment, or technology to Iran.”

Then is it our policy to oppose any nuclear transfer, not just what is on the trigger list?

Are you saying that all of our European allies have agreed to that kind of an understanding?

Ms. DAVIS. Our G-7 partners and allies agree that there should be no nuclear cooperation with Iran.

That goes beyond the requirements that each of us has under the Nuclear Nonproliferation Treaty.

So in answer to your question, there is a common view that any nuclear cooperation, even in civil nuclear programs, with Iran should not go forward.

Chairman GILMAN. And are you closely examining the nuclear cooperation by Russia and China with Iran?

Ms. DAVIS. Mr. Chairman, as I made clear in my opening remarks, we continue to press both China and Russia to end all of their nuclear cooperation with Iran, even that which would be permitted under the Nonproliferation Treaty and even that permitted under the safeguarded facilities in Iran, because we believe that any such cooperation, not necessarily simply the equipment but also the expertise and the cooperation that goes with civil nuclear programs, can help Iran in what we believe is its clear goal and determination, and that is to acquire nuclear weapons.

And so we have worked very hard to convince the Russians and the Chinese that, for their own security, as well as for all of our security, that they should forego any such cooperation.

In each case, they have taken steps to limit it, but they have not gone the full distance; and we would wish that they terminate all their nuclear cooperation with Iran.

Chairman GILMAN. Thank you, Madam Secretary.

Mr. Berman.

Mr. BERMAN. Well, thank you very much, Mr. Chairman.

First, thank you for holding this hearing. I think this is maybe the most important issue—well, aside from how California is doing—that we have to deal with in this Congress.

It is instructive to note that at its peak at this hearing we had about four or five members of this committee to participate. And

so I think there is a lot of work to do inside the Congress as well as with the Administration to move ahead in this area.

There are so many areas that I would like to pursue, and I am also aware that we have a panel of outside experts who I have heard from before and would want to get their thoughts on again; so I will just have to limit myself a little bit and hope that in a subsequent executive session or meeting we can pursue a few more of the issues.

I just want to take one thing from what the Chairman was asking about. As I understand it, ring magnets are utilized for enriching uranium. There is no need for enriched uranium in a peaceful nuclear energy program.

Is that a fair statement?

Ms. DAVIS. It is fair.

Mr. BERMAN. And, therefore, an assurance not to provide ring magnets to an unsafeguarded facility seems—it is a funny way to make the assurance, which is the reaffirmation of the commitment that was earlier made, in that since there is no other reason to have ring magnets in Pakistan other than in an unsafeguarded facility, I get worried that this becomes a technical way of allowing the Chinese to claim they have met their commitments and complied with their assurances by providing something to a facility which is safeguarded and then subsequently diverted, since it has no purpose in the safeguarded facility.

Am I wrong about that?

Ms. DAVIS. Well, first of all, you are correct to say that the commitment is not to provide assistance to unsafeguarded nuclear facilities.

And as part of that commitment, we have an understanding with the Chinese that it would preclude the sale of ring magnets in the future to such facilities. That is what the agreement contains.

There is also the recognition that there could be assistance to nuclear facilities that are safeguarded because that is provided under the NPT and so forth and so on.

We ourselves do not provide assistance to a country that is not under full scope safeguards. And that is the next step that we would be seeking the Chinese to agree to.

But this agreement itself focuses on the problem that we saw, and that was their assistance to unsafeguarded nuclear facilities, which has gone on beyond the ring magnets, although the ring magnets have gotten most of the attention.

Mr. BERMAN. In the wonderful legal world of alternative and inconsistent pleadings, the Chinese say, one, we did not know about it; two, we never knew it was going to that facility.

And I am just wondering, at the end of the day, whether they have worked themselves into a situation where they could send ring magnets to Pakistan claiming it was for a safeguarded facility or for an automobile factory or anything and then essentially allow the Pakistanis to do what they want through diversion of this export to them.

Have we gotten anything with this assurance?

Ms. DAVIS. That would be inconsistent with their statement, that they will not be providing assistance knowingly to that unsafeguarded facility.

Mr. BERMAN. It will not be knowingly.

Ms. DAVIS. Well.

Mr. BERMAN. It will be with your head in the sand. We will get: We cannot sell to this facility. You have a legitimate buyer, we will sell to that legitimate buyer. Then the legitimate buyer will forward it.

My assumption is Pakistan can handle that action pretty easily, and almost any other country could as well. So, again, I think that is a legitimate point of concern.

I do think moving to that next step of no transfers to any country of any nuclear technology where there are unsafeguarded facilities would be good.

Ms. DAVIS. Which is what the——

Mr. BERMAN. Let us get right down to the heart of it. Let us take one of our closest allies in the world, Israel, a non-signer of NPT. I am unaware of any nuclear cooperation between the United States and Israel.

Ms. DAVIS. What you are suggesting as current U.S. policy is current U.S. policy.

And we are trying to move the Chinese to that same policy. It is a goal.

Mr. BERMAN. Well, keep trying. Try harder. I mean, I say that seriously because I do not quite know what we have gotten so far from the specifics. I hope, very much, we have gotten something from the general contacts and meetings on these and other issues that have been dividing us and that this is, in fact, a new day, unlike the earlier new days.

Ms. DAVIS. It is a significant step, because remember that they will not be providing assistance to unsafeguarded nuclear facilities in Pakistan or anywhere else, and that this would preclude the kinds of cooperation that the Chinese have undertaken in the past.

That is an important step.

Mr. BERMAN. I never heard the Chinese say: We transferred ring magnets to an unsafeguarded facility, and we will not do that any more.

Ms. DAVIS. No. But——

Mr. BERMAN. They said that, we did not know about it; or it was transferred to a legitimate purchaser for a different, unspecified legitimate purpose; and if it was diverted, it was without our knowledge.

Ms. DAVIS. And we are saying this happened in the past. That is the U.S. view. And that this commitment that they are making would preclude it from happening in the future, and that we will monitor it. We will help them put in place the export control systems that make it possible and hold open the possibility of imposing sanctions if there is misbehavior.

Mr. BERMAN. All right. Let me shift to a different subject, the Comprehensive Test Ban Treaty negotiations.

It is our desire, as I understand from what you said earlier, that all countries sign the Comprehensive Test Ban Treaty.

Is it our position that no treaty should go into effect until all countries have signed it?

Ms. DAVIS. Our position as to what will be required for entry into force is still under negotiation in Geneva.

Mr. BERMAN. Our position is under negotiation?

Ms. DAVIS. No. The issue of how it will come out is under negotiation. And I am not free right now to tell you precisely our negotiating position.

Mr. BERMAN. All right. Let us talk about—well, it is fair to say, as far as I can recall in recent months and the last year, year and a half, the two countries that I know have tested are members of the declared nuclear powers: China and France.

Ms. DAVIS. Right.

Mr. BERMAN. I am unaware of even any allegations of testing by India, Pakistan, or Israel.

Is that right?

Ms. DAVIS. Right.

Mr. BERMAN. It is, I think, and I hear that, notwithstanding the fact that everyone sounds like they are committed to a comprehensive test ban, in fact, there are members of the declared nuclear powers group, the five, unlike the United States, that do not really want a comprehensive, complete, zero tolerance test ban, and that this position will be utilized by them to avoid a treaty from going into effect; thereby, serving not particularly the interests of the United States or of the advocates of the Comprehensive Test Ban or even of Israel, India, and Pakistan, but rather of those members of the big five or whatever we called them that do not really want a Comprehensive Test Ban.

What is your reaction to that paranoia?

Ms. DAVIS. I would not call it paranoia. I would suggest that we now have the commitment of four of five nuclear powers made clear in Moscow in April—that is the United States, the United Kingdom, France, and Russia—to a truly comprehensive, zero-yield test ban and language in the treaty—the scope language in the treaty that commits those four countries to this.

Most recently, the Chinese have also accepted the scope language in connection with an understanding that they are proposing with respect to peaceful nuclear explosives.

We are very close, then, to having the Chinese as well accept this language which commits the parties to this treaty to a truly comprehensive test ban zero yield.

So there are still outstanding issues, but that one, in my view, a very difficult one in the course of negotiations, is close to resolution.

Mr. BERMAN. But I could see a wily negotiator totally and publicly committed to a zero tolerance Comprehensive Test Ban Treaty and then create the conditions whereby that does not come into effect.

It would probably be good for you not to answer that question, but—

Ms. DAVIS. We are looking for a treaty that the words mean what they mean. And that is truly comprehensive.

Mr. BERMAN. The words will mean what they mean, but the condition by which it goes into effect are such that it does not go into effect.

Ms. DAVIS. The important point here, I think, for the momentum we have in our goal to open the treaty for signing in September at the U.N. General Assembly is now the Chinese commitment to a

moratorium on their testing from September. So that sets the stage for this. And the negotiators are working very hard to produce a text that will make that possible.

Mr. BERMAN. All right. I have a lot more questions. I will not ask them because I do want to hear the next three witnesses, and you have been here a long time.

My final question relates to the position—first of all, as I understand it, Israel has never stated any opposition to signing the Comprehensive Test Ban Treaty.

Are you aware of that?

Ms. DAVIS. They are participating in the discussions and are committed, as are the others are, to a successful conclusion.

So each country is still working through the details, but we are all committed to trying to make that happen.

Mr. BERMAN. Have you detected any change in India's position as a result of the most recent government? Or have they not had time to formulate a new position?

Ms. DAVIS. It is too soon to be able to say.

Mr. BERMAN. What is Pakistan's stated position?

Ms. DAVIS. Everyone is looking for a Comprehensive Test Ban Treaty. Each country is proposing different parts of that that have to be brought together.

My strong view is that we will have a good treaty, and we will have a treaty that can win support from the vast majority of countries currently negotiating.

Mr. BERMAN. These may be unfair questions to ask you in a public hearing to discuss negotiations going on now, so I will just leave you with my thoughts on what some people's agendas might be, and you can do with them what you wish.

Thank you, Mr. Chairman.

Mr. SMITH. [Presiding] Thank you very much, Mr. Berman.

I would just like to ask a couple of concluding questions.

Madam Secretary, is the Administration considering in any way offering China the opportunity to join the MTCR as a member country?

What are the benefits and what are the risks of bringing China into the MTCR?

And if China became a MTCR adherent, either by entering full partnership or by signing a Memorandum of Understanding with the United States, would China be subject to sanctions under the Arms Export Control Act or the Export Administration Act?

Ms. DAVIS. Mr. Chairman, we have been working with the Chinese, as have the other parties to the MTCR, to find a way that China would join up and accept the responsibilities and obligations of the MTCR regime, its guidelines, and the controls that are associated with that.

So our goal is clearly to bring China into that regime. As I say, it is not simply the goal of the United States but that of the other parties. Indeed, other parties have made trips and had discussions with the Chinese to help encourage them toward that goal.

There is still, in the Chinese mind, some way to go; and they have raised some issues and are currently discussing this.

So I think it is premature to say that we are close to success in that regard; but in our mind, and in the view of the other parties,

China, as a major producer of missiles, is exactly the kind of country that we would wish to have in the regime and one in which we would want to work hard to bring this about. And, indeed, we have had some expert discussions with the Chinese to make that possible.

Mr. SMITH. Are there any discussions planned in the near future, between now and January?

Ms. DAVIS. There are none regularly scheduled at this point. But, again, on our overall nonproliferation agenda, this has a high priority and something that in earlier times has been something committed to by the leaders of both of our countries.

I think the important part here is to take note once again, that the Chinese, through our discussions, made a commitment not to transfer, globally, MTCR-class missiles, ground-to-ground missiles, globally. This goes beyond the formal requirements that are levied on parties to the MTCR; that is, this is a global ban and something that they committed to in 1994 and are carrying out through this time in 1996.

So it is a very important step toward our overall goals of preventing the proliferation of dangerous weapons and missiles around the world; and I would hope this committee would understand the important step that this is and the fact that the Chinese have been carrying it out.

Mr. SMITH. Would the Administration support an exemption?

As you know, the sanctions would be precluded if they were to become full members. I understand that if they became partners under a Memorandum of Understanding, we would be precluded from imposing sanctions if it was found that they had violated the proliferation aspects?

Would the Administration support an exemption so that we could continue to have that tool available to us should they break their word? I mean, past is prologue; and I think we are fools, frankly, if we continue to buy into their word, only to learn that they violate with impunity that word somewhere down the line and more people are put at risk and more countries, in the case of weapons of mass destruction, are at risk because we bought into what turns out to be a lie.

I mean, their record has been an abomination, as you know.

Ms. DAVIS. The past is the prologue. And as you know, in the course of our discussions with Russia, Ukraine, Argentina, Brazil, South Africa, we have gone through a very deliberative process to bring them into acceptance of the responsibilities and guidelines of the MTCR to put in place legally based export controls so that they can implement their responsibilities.

And we have worked to understand their past behavior so that the historical record of their behavior was understood before we moved forward to take the step, first, to support them as MTCR members and then, second, to take this further step, through our own determination, that they would no longer be adherents—they would be adherents for purposes of the law, no longer under the threat of sanctions.

So the past is prologue as to what it is this administration has required of countries before we would be at that very far stage. We

are very far from that today. Indeed, we have to even begin that process in a serious way.

So I am not going to suggest that this will be where we end up. My hope, though, quite frankly, would be that the Chinese, through such a process, would be prepared to take on those commitments for the reasons that I just suggested. China is a major producer of missiles. And you would agree, that is in the interests of Americans and our security that China be responsible within the framework of that regime in carrying out similar responsibilities.

Mr. SMITH. With all due respect, with this administration the threat of sanctions is a non-threat.

I have led three human rights trips to the People's Republic of China on three different occasions.

Mr. BERMAN. Will the gentleman yield?

Mr. SMITH. In just a minute.

I have met with almost all of the leading dissidents. And as was stated so clearly yesterday at our hearing by Amnesty International and other organizations, this administration is seen as a paper tiger.

Even amidst the high drama that led up to the intellectual property rights version of sanctions, I did not doubt, nor did many of my colleagues, that there would be some kind of soft landing at the end of the day so that everyone would save face.

But when you come to these weapons of mass destruction and the proliferation issue, human rights, obviously, is extremely important and affects tens of millions of people living within the confines of the People's Republic of China.

But here we are talking about a threat that spreads daily, and we seem to be willing to buy into a diplomatic fiction over and over again.

They have taken the measure of the man in the White House and I have heard this from many quarters inside of China as well as outside—and their sense is that he is a paper tiger.

Ms. DAVIS. I think the facts do not sustain that, with all due respect. We have taken the step of imposing sanctions on China for its missile activities prior to 1993. We took that important step.

Subsequent to that, the Chinese made their commitment which they are carrying out.

At the time we began consideration of the ring magnet issue, we suspended all Export-Import loans, which would have been what would have been required had we made that determination; and at the time which we decided not to go ahead with sanctions, we had a firm commitment on the part of the Chinese with respect to a change in their behavior.

So I take exception to the fact that we are not prepared to impose sanctions; and I would like to provide for the committee, in detail, the specifics of the cases in which this administration has carried out the legislation and imposed sanctions which cover nuclear weapons and equipment, chemicals, missiles, and conventional arms.

Mr. BERMAN. Would the Chairman yield?

Mr. SMITH. I will yield to you in 1 second. I would be happy to yield to my friend.

Just let me point out that the Washington Post, which has been a friend of this administration editorially, recently wrote: "The Administration's China policy is on the edge of incoherence."

There is testimony that I have had the opportunity to read through that will be presented in the next panel which very, very strongly takes this administration to task on the proliferation issue; and I do hope members of the press will stay for that panel.

I will be happy to yield to my friend from California.

Ms. DAVIS. Well, Mr. Chairman, I would appreciate the opportunity to try to correct the record.

Thank you.

Mr. BERMAN. Mr. Chairman, first of all, we are dealing with a very important issue. I very much think probably if we strip away some of the partisan rhetoric, I agree that this is a priority issue, that this is not just another issue that we should turn our backs on. I think it is wrong to politicize the issue, to focus on this administration, in the wake of the previous administration and their incredible gathering of commitments which were soon broken on missile proliferation as well as on nuclear proliferation—there is a tension between the executive branch and the congressional branch on some of these issues for all kinds of different reasons.

But I just think it is wrong to isolate out a particular kind of thing.

The fact is, the Administration did impose sanctions for violations of missile technology proliferation in 1993.

And, boy, the howls from the U.S. commercial interests when those sanctions were imposed were simply enormous. They were not imposed and suspended. They were imposed.

We could carefully track some of these different stories about which occurred prior to 1994 and which occurred after 1994. We can talk about Scowcroft and Eagleburger going over there and coming back and our meeting in closed sessions here where reports were given to us which then soon leaked into the newspapers of the assurances that there were received from the Chinese and then the story of what happened subsequently.

We can remind ourselves that after the Gulf War Jim Baker coming to this hearing and talking about, we now understand the dangers of the spread of, not simply the weapons of mass destruction, but advanced offensive conventional weapons, and we are going to finally do something about it and what happened with P-5, and what an empty process that all became.

So I think we should be issue-specific with less particular focus on who the bad guys were.

The Chinese loved George Bush. We know that. It was not because he was tough with them. So when you talk about who the Chinese are taking the measure of, I am not sure love in that case is necessarily a credit from my point of view. And I just wanted to say all that.

Mr. SMITH. I would just say to my friend, there is no attempt to politicize here. This administration has been in office for 3 years. And when the previous administration was in office, whether it be on Bosnia or other issues, I was an outspoken critic, as were many members of my side of the aisle, on the substance of the issues. And that is what we are here debating.

When sanctions were lifted in October 1994, that sent the wrong message. Because, again, a promise was made; and promises made by the Chinese dictatorship in Beijing are very soon promises broken.

And I think that we have to come to grips with that. This administration seems not to be able to do that.

Mr. BERMAN. OK. If you will just yield, I would suggest—and I do not know if this is your subcommittee's jurisdiction or the Full Committee's jurisdiction; I guess it is the Full Committee's jurisdiction now—there are some very fascinating and important questions. The failure of the countries that all got together on missile technology control and developed a regime to implement multilaterally meaningful sanctions, the failure on missile proliferation, the general failure to establish some focus on Iran—we just had a debate about that yesterday on the House floor—where is the CoCom successor agency, and what is its status, and what is happening multilaterally?

These are some of the things we should be having hearings on and getting down to real specifics. I think we all know the defects of U.S. and Western efforts to deal with Chinese proliferation questions. And I think it is right to harp on it, but there are some other serious issues, too, particularly, where are our friends who we allied with in the cold war, who we maintain the massive defense burden for, who we are positioned in the Persian Gulf to protect? Where are they on some of these issues as well?

And I think that is worth pursuing.

Mr. SMITH. Well, let me say—

Ms. DAVIS. Could I just correct your own record with respect to the 1994 Chinese agreement on missile transfers, which has been carried out by the Chinese, to our understanding, to this point.

The sanctions were removed at the time they made this commitment. We monitor this closely. And I can tell you today that they are carrying out that commitment, to not transfer globally ground-to-ground missiles with the characteristics covered by the MTCR.

This is not all that we would seek in the future; but at least for the record, that is what has happened.

Mr. SMITH. Thank you, Secretary Davis, for your testimony. We do have some questions we would like to submit for the record, if you would be kind enough to respond to those.

And I do ask unanimous consent that a number of articles be made a part of the record.

Without objection, it will be so ordered.

[The material appears in the appendix.]

Mr. SMITH. Secretary Davis, we will look forward to a closed session if we can mutually work out a time and date.

Thank you.

I would like to invite our second panel to the witness table.

Henry Sokolski, who is the Executive Director of the Non-proliferation Policy Education Center, a Washington non-profit organization founded in 1994 to promote better understanding of strategic weapons proliferation issues for academics, policymakers, and the media.

Mr. Sokolski teaches graduate school courses on proliferation at Boston University's Institute of World Politics in Washington and

is currently completing a book on proliferation, "Armageddon's Shadow", for the University of Kentucky Press.

From 1989 to early 1993, Mr. Sokolski was a political appointee of the Bush administration and served as deputy for Nonproliferation Policy in the Office of Secretary of Defense. He has a very extensive background, which I would ask be made a part of the record.

[The material appears in the appendix.]

Michael Krepon is president of the Henry L. Stimson Center, a Washington-based think tank, specializing in arms control and international security problems. The Stimson Center's motto is "Pragmatic Steps Toward Ideal Objectives."

Mr. Krepon's substantive areas of interest are nuclear arms control, disarmament, and missile defenses, chemical weapons proliferation; South Asia, and the promotion of confidence-building measures in regions of tension.

During the Carter administration, Mr. Krepon worked for 3 years in the U.S. Arms Control and Disarmament Agency, directing defense policy and program reviews.

Prior to that, he worked for 4 years on Capitol Hill as legislative assistant to two democratic Members of Congress.

He is the author or editor of seven books.

And, again, I would ask that his very extensive background be made a part of the record.

[The material appears in the appendix.]

Mr. Sven Kraemer is a former senior U.S. Government official and a nationally recognized expert on defense, arms control, and foreign policy.

He is president of Global Challenge 2000, which he founded in Washington, DC early in 1992, to provide independent assessments for key government policymakers, the media, business community, and private organizations.

His 25 years of service began in 1963 during the Kennedy administration with the Secretary of Defense and as a member of the civil service.

During the Reagan administration, he served until late 1987 as National Security Counsel Staff Director on Arms Control, and he participated in some 40 National Security Council meetings representing the NSC in that regard.

And, finally, he has worked for a number of Members of Congress. And I ask that his background, too, be made a part of the record.

[The material appears in the appendix.]

Mr. Sokolski, if you could begin.

#### **STATEMENT OF HENRY SOKOLSKI, EXECUTIVE DIRECTOR, NONPROLIFERATION POLICY EDUCATION CENTER**

Mr. SOKOLSKI. Mr. Chairman, thank you very much for inviting me to testify here today.

Looking at the clock and the chamber, I am going to take the Draconian measure of reducing my statement by 50 percent. So instead of reading two pages, I will read one-page. I will try to keep it on point.

I had been asked by your staff to speak about what Chairman Gilman was speaking about in his statement, which is general non-proliferation policy in the U.S. and its relevance or applicability in the case of China and what could be done to enhance the effectiveness of that policy.

I suppose if there was an overview statement that I would make in answer to that tasking it would be this: If you did nothing else but stop direct U.S. Government subsidies to known proliferators, particularly in China, and demanded that the law be followed, it would be a major change for the better.

Beyond that, it would be useful—and I think constructive—to try to focus congressional attention on what is being done in the U.S. Government—and there are some efforts—to not just manage or react to proliferation, but to anticipate it and try to diffuse it before it becomes a problem.

What I would like to do now is talk about the case of China and how these general points I have just raised might apply in specific.

In the case of China, one of the first things that would be needed—and I think from the comments on both sides of the aisle today, I sense that there is an eagerness to look into this—is enforcement of U.S. nonproliferation laws.

I can tell here from this chart that you are very alert already to the need to focus the U.S. Government's attention not just on the ring magnets, but on the missile transfers and the chemical transfers and the variety of laws that have been violated or at least not implemented. I want to be clear on that point.

It is one thing to complain of the executive branch that it has not chosen to implement the law the way you might want, that is, to say, to sanction China. It is another thing, however, entirely, when the law requires the executive branch to at least give you briefings and notices of waivers and then, it chooses not to.

I think that is a problem because the way the Congress learns about much of what is sanctionable, unfortunately, is through the press. That is not the way it should be done.

It seems to me, at a minimum, any executive, as I understand current law, is required to at least give you notice that it intends to waive sanctionable activity. I think there is far too much reluctance—and I would agree with Congressman Berman, this is an executive problem—it is getting worse, though, Mr. Berman; I think it is not getting better; but I am not sure that it is because of partisan reasons.

Mr. BERMAN. The politics are getting worse, too.

Mr. SOKOLSKI. Yes. But the scrutiny of what is sanctionable and what is done with that intelligence is ultimately something that is critically an oversight function of the Congress.

If you do not do it, the law will not be upheld, and the policy will deteriorate. And I will be candid, I think you can do a lot better.

That you are holding this hearing today is heartening because this is one of the most focused hearings I have been at. The questions have been uniformly good and better than I have seen previously.

In that regard, though, I think it is important to go down the list and also try to find out about the things that are not in the newspaper.

I must tell you, the executive branch—and I know this from my own duty in the Defense Department—keeps a very careful record of all sanctionable intelligence; and it tracks what happens to it.

Someone who has the purse strings needs, in camera, to review that record, at least after the fact. That that has not happened is something which is regrettable. And I can assure you, when you see this record, if you are depressed now, you have not begun to be as depressed as you should be. But you need to do that.

Now, that leads to another simple thing. I think, at a minimum, in the case of China—and arguably in some of these other proliferation cases—it really is bad form to allow a continued, direct, U.S. Government subsidy to known proliferating entities in China. You know, sanctioning would be great, but at least do not subsidize them is a good rule of thumb. Now, this may sound kind of astounding or flip, but it is not.

Right now the Department of Energy is funding Westinghouse to do a reactor research program called the AP-600 and has invited six nuclear engineers, from the very Chinese entity identified as having sold the ring magnets, to come and help work on this taxpayer-funded project.

To my knowledge, the invitation has not been suspended. It is still in force. I do not believe the Chinese have yet come. That might create a little bit too much news. But it has not been suspended.

In addition, Undersecretary Davis talked about Eximbank guarantees. Well, indeed, there were \$800 million worth of them. And what are they for? Well, once again, to complete reactor construction with the very same entity that sold the ring magnets.

To my knowledge, those Eximbank loan guarantees, which are backed by U.S. taxpayers, are not suspended. I do not know what their status is, but that would be worth finding out.

Also—and this one is a little tricky—because of the massive amount of computer decontrol, there is, I am sure, a fair number of very high end U.S.-specific unique computers going to strategic weapons testing and development facilities in China. You might want to find out if that is true. I am pretty confident it must be.

Mr. BERMAN. You mean high end lack of control?

Mr. SOKOLSKI. What is that?

Mr. BERMAN. High end lack of control is what you mean?

Mr. SOKOLSKI. High end computers that are no longer controlled like they used to be.

Now, exporters are supposed to, under the new procedures, keep track after the fact, after they have shipped items. It would be useful to know whether any of these computers have ended up in places that would make a "60 Minutes" program that you do not really want to have a hearing about.

Finally, another thing to keep in mind—and this is new; someone pointed this out to my task force on Nonproliferation Policy Reform, which Congressman Berman has graced with his name on the letterhead; and I am asking the Chairman if I could place the executive summary of those recommendations in the record.

Mr. SMITH. Without objection, they will be.

[The material appears in the appendix.]

Mr. SOKOLSKI. Thank you very much.

One of the things that was discovered is that the Chinese Government has floated bonds on the U.S. bond market; and the Securities and Exchange Commission (SEC), in a pro forma fashion, approved these. Now, it could be that they are rather benign and that they are very small companies, perhaps state-run, but they are benign.

On the other hand, it would pay to have the SEC be very careful here. Do you want Americans who are planning their retirement to fund proliferating entities of the People's Liberation Army? I do not think so.

By the way, controlling such bonds is a financial sanction, and the other sanctions I've mentioned are high-tech targeted sanctions. They are not general trade sanctions. And many of the criticisms directed against sanctioning or general trade sanctions do not apply to these.

Second, once you get beyond enforcing the laws and perhaps ending direct U.S. subsidies to known proliferators, I think it would be useful—and this came out in your presentation, Mr. Chairman—that you place a moratorium on making proliferators members of nonproliferation regimes.

In China's case, the United States has clearly undermined the leverage it once had to sanction those helping China modernize its strategic rocket forces, Russia and the Ukraine, and over one of the most significant consumers of Chinese missile technology, Brazil.

The reason why is that the United States made the Ukraine a MTCR adherent for purposes of law, and Russia and Brazil as full members. As such, these nations cannot be sanctioned under U.S. law. This recommends—and, indeed, the task force report recommends—two things: Changing U.S. law to eliminate sanction exemptions for nonproliferation members and adherents, and making sure the executives do not try to fix Chinese proliferation problems by making China an adherent, or for that matter, any other proliferator an adherent.

This, then, brings me to the third general prescription.

I think it would be very useful for this committee and Congress in general to make an effort to see what it is the executive is doing to anticipate rather than to react to proliferation threats.

Certainly congressional focus—and I am sure the other two witnesses will focus on it quite a lot—has been on developing missile defenses; and I think that focus is all together sound. But I think this focus needs to be complemented by at least as much discussion and debate over our nonproliferation policies which, too frequently, I believe, accelerate or allow the very threats we must defend against to proceed. And China, frankly, may be an example. I think it is.

Congress has been briefed after all, by virtually every agency and official responsible for managing proliferation crises after they break out but by virtually none of those responsible for anticipating and defusing these problems in advance.

The Central Intelligence Agency's Integrated Regional Threat Group, within the Office of Weapons Technology Proliferation and the Department of Defense's Office of Net Assessment are perhaps the only places that work on these kinds of anticipatory intelligence issues.

Yet, Congress, to my knowledge, has never asked them to testify. This, I think, sends a dead wrong message that reacting to proliferation after it is realized is more important to Congress than anticipating and defusing it. And I know that is not your intent.

Finally—and this, I think, is perhaps, the single most important thing in my testimony; and I think I am right about that, but you will have to be the judge—it is desperately necessary that Congress begin to do much more routine budgetary oversight of our fight against proliferation.

The number of officials, at least 600, as I was able to discern from discussion with officials at the Office of Budget and Management—or Management and Budget—and the number of offices dedicated to fighting proliferation full time, over 60, are in fact growing so fast that the executive spends thousands—probably hundreds of thousands—annually simply to get a national directory of who is who in nonproliferation.

Congress should ask the GAO to detail who is spending what and then routinely ask the executive to explain what we are getting for our money.

Specifically, there are intelligence agencies dedicated to finding out what is sanctionable. I think they are doing a very good job, by the way. I do not fault them. It is the policy demand for this intelligence that is always lacking because the executive branch, by its very nature, does not like to act against foreign nations.

I think you will do much better in teasing out what is going on if you can somehow get the appropriators eventually to hold the money on specific line items hostage to some explanation of what is being done with this good intelligence.

That concludes my remarks.

[The prepared statement of Mr. Sokolski appeared in the appendix.]

Mr. SMITH. Thank you very much for your testimony.

Mr. Krepon.

#### STATEMENT OF MICHAEL KREPON, PRESIDENT, THE HENRY L. STIMSON CENTER

Mr. KREPON. Thank you, Mr. Chairman.

With your permission, I would like to insert my remarks and attachments into the record; and I will be very, very brief.

Mr. SMITH. Without objection, your full statement and any attachments will be made a part of the record.

Mr. KREPON. Thank you.

We live in a world of paradoxes, so I am going to give you some paradoxical advice in dealing with this very serious problem that you and your colleagues have identified.

My advice would be to view the range of solutions available to you and to our country in its entirety. We do have a lot of tools to apply to this problem.

So that is point number one.

But then I also urge you to disaggregate the threat. So look at the solutions as a whole, and then disaggregate the threat.

Let me explain what I mean. We have a State Department; we have an intelligence community; we have an Arms Control Agency; we have export controls; we have strong military forces: All of these

solutions to proliferation problems have their deficiencies. We need all of them because the problem is so serious.

Look at the problem in terms of lines of defense. Lines of defense. The front line of defense is early warning, being able to work collaboratively with other countries, once we identify a problem, and all the rest of it.

The Nunn-Lugar—and soon to be Nunn-Lugar-Domenici initiative is part of the front lines of defense. We do not spend a lot of money on it, and it does some very useful things. Thanks in part to Nunn-Lugar, as of this month, 3,373 warheads have been returned to Russia from other states of the former Soviet Union. 1,430 warheads have been removed from deployment in Russia. 800 launchers, bombers, and ballistic missiles that carry nuclear warheads have been cut up. 800 of them.

Now, if we were to deploy a ballistic missile defense of our homeland sufficient in size to take out 800 of these launchers, we would be spending tens of billions of dollars; and it would be a very ineffective defense because it is awfully hard to take out thousands of warheads that are coming at us. There is no solution to that problem.

So view the problem whole. There are lots of possible solutions out there, and we need as much creative help and resources as we can get to address the problem.

Now look at the threat, and let us disaggregate it.

Almost every person who comes before this committee starts with a premise: The sky is falling. I do not believe that is true. I believe that there has been a lot of progress in a lot of areas. Other parts of the problem are extremely serious and severe, and they worry me. The seepage of fissile material from the Former Soviet Union is a hugely worrisome problem. The use of chemical weapons, as a means of terror, we have seen our first precedent in that regard, the Tokyo subway system. There is a lesson there. Biological weapons can be used as a weapon of terror.

These are the biggest parts of the problem. And their means of delivery are not a ballistic missile that travels thousands and thousands of kilometers. The essence of the problem, Mr. Chairman, is the truck bomb, right now. It is not the ballistic missile that can land on our country.

And if you look again and disaggregate the problem, you see that the ballistic missile threat to our country is the least of our problems. It is the most remote of the problems we face. This is not just me speaking. It is the CIA speaking; it is the intelligence community speaking; and not just now, but in the past; it is BMDO speaking; it is the Department of Defense speaking. And I hope you take their testimony.

I have attached to my testimony a simple chart, and you will find it about two-thirds of the way into the testimony. This was a chart prepared by the Ballistic Missile Defense Organization for the Undersecretary of Defense. This is what it looks like. The vertical axis is the number of missiles that threaten our country or our forces or our friends and allies abroad.

Now, that axis—you do not have a number on it because this chart would be classified if it had a number on it. But let us as-

sume that each one of these blocks constitutes a thousand ballistic missiles. OK?

So most of the missiles that you see that currently threaten our friends and allies are on the far left-hand corner of this chart. These are very, very short-range missiles. These are Scud missiles. And this is where it looks to me like 90 percent or more of the threat lies.

If you look at the rest of the chart, you see a very small number of missiles. If you add them all up, there may be a thousand of these missiles, a thousand of them. That is out into the future. That is out into the year 2010.

The Congress could easily spend \$40 to \$60 billion over the next 15 years to address these 1,000 missiles. That is \$40 million to \$60 million per missile. That is according to CBO estimates. That is for theater missile defenses.

So the reason why I ask you to look at an entire range of solutions and to look at the threat in a disaggregated way is because you have two very important responsibilities: One is to defend our country and our allies and our friends abroad from weapons of mass destruction. You also have the responsibility to protect the taxpayer's wallet.

And if you put \$40 to \$60 billion over the next 15 years to deal with 1,000 potentially hostile missiles that can threaten our friends and our allies, I think that is not a good allocation of resources.

Now, we have not even begun to talk about national missile defenses against the threat which the intelligence community describes as remote and unlikely. Now we could be spending tens of billions of dollars more on that particular problem.

We need effective defenses. They come in many, many forms. But the primary task of defenses, the real threat that is out there is to our friends, our allies, and our troops that are deployed overseas. That is the threat.

Last, Congressman Berman, you have followed the test ban treaty negotiations for a very, very long time; and I know you have a strong personal interest in the outcome. You deserve a better explanation of the state of play than you got from the previous witness.

Here is where we stand: The four nuclear weapon states who are partners to this treaty have said to us: We are not going to join unless the three threshold states are also depositing their instruments of ratification.

So there has to be our five nuclear weapons states plus the three.

The U.S. Government's position has been that we have to have the five. We would rather not extend it to the three thresholds states; but if that is what the other four nuclear weapon states demand, so be it. We have tried to convince them otherwise; have not had much success.

Most people who know something about India have come to the conclusion that it's very unlikely that the government of India will deposit its instrument of ratification. India has stayed outside of the Nonproliferation Treaty since 1963—excuse me, 1968 when it was negotiated, 1970 when it first took affect. So that is 26 years.

We may well be looking at a treaty that is completed but that remains forever in limbo or at least remains in limbo for a very, very long period of time.

It is not clear to me whether or not the Administration has gotten commitments from the other four that they are prepared to attend a signing ceremony for the test ban treaty in the absence of the threshold states.

As I understand international law, which is not very well, a treaty that has been completed but that remains unsigned and unratified does not provide a very firm set of constraints against a resumption of nuclear testing.

So I am concerned about this situation. It is a very hard situation to turn around because it requires the President of the United States to pick up the phone and talk to his opposite members in the other nuclear weapon states.

And at least two of these nuclear weapon states, Russia and China, are not very eager to complete the negotiation, although they say they are prepared to do so. Great Britain and France who are our friends and allies, who we are helping out a great deal in this matter, have not shown a whole lot of interest in helping us out on the entry into force question.

So we have a problem. And I have grave misgivings about completing this treaty in such a way that it does not go into effect. But we do need to complete this treaty.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Krepon appears in the appendix.]

Mr. SMITH. Thank you very much.

Mr. Kraemer.

#### **STATEMENT OF SVEN S. KRAEMER, FORMER DIRECTOR OF ARMS CONTROL FOR THE NATIONAL SECURITY COUNCIL 1981 TO 1987**

Mr. KRAEMER. Mr. Chairman and distinguished member—and I really, truly wish there were more members here on this important issue—the strategic threat of proliferation to the United States is mounting.

It comes not only from a handful of infamous rogue regimes. It also comes from Russia and from China, which are the chief suppliers and are themselves rogues in supplying these rogues.

And, sadly, it also comes from the neglectful policy of this administration, not only in not enforcing sanctions and laws but also in providing the wherewithal, in some cases through technology transfers to China, in particular, which goes on to hostile third countries.

It is not just that we are giving computers to China so that it can simulate nuclear tests—and we dare to call this counter-proliferation—that was Secretary of Defense Perry's offer of October 1994—China also readily gives what it buys or steals from us, sometimes under taxpayer subsidies, and some through the People's Liberation Army businesses that they have in their joint ventures, give this handily to others. General Scowcroft said they will sell to anybody that gives them money. And I think part of that is their strategic purpose, especially with Iran where they may have surrogate reasons for wanting to heighten the danger points

in the Middle East. Perhaps they see Iran as going after Saudi Arabia, for example, and the oil resources we need.

So this problem is mounting. In the very few minutes that we have been given as critics of the Administration—at least two of us—to make oral presentations, I would like to summarize a very extensive statement that I am providing for the record. I would also encourage you to have detailed hearings on some of the points that will be raised, and I wish that you would encourage the creation of a Team B of independent experts to help keep all of us informed and honest and honorable in what is a major challenge to ourselves and to our children. This is a challenge which is here now; it is a clear and present danger; it is not something 8 or 15 years away.

Dictators with whom we deal in Russia, China, and throughout the world that we are asking to sign on to agreements are different from the democrats with whom we deal. Yet our policy does not distinguish them at all since we take their anti-proliferation promises equally for granted. Our policies do not distinguish between the indigenous developments that might threaten us early and the transfers of technologies and weapons that could further accelerate those developments.

In my prepared testimony, I walk the committee through the official estimates of the Bush administration and the initial estimates of the Clinton administration as to when the American homeland, not just key interests and forces overseas which are already threatened by short-range missiles, might be threatened.

The testimony of Dick Cheney, the Secretary of Defense, in the year before Mr. Clinton came to power suggested that the threat was there within this decade.

James Woolsey and Larry Gershwin, both senior CIA officials, in 1993 spoke of a threat within 8 years, meaning within the decade. James Woolsey's CIA Proliferation Center published a threat picture which included accelerated risk of transfers of technologies which brought the threat home to us right around the time of the turn of the century.

All of this, as you know as well as anybody, was walked back in the last year into a rather fishy estimate. The fishy estimate is fishy first because it excluded Russia and China as threats, which is an extraordinary jump since we do not know what will happen in Russia, and we should be fearful of instabilities in China. Russia has 9,000 strategic missiles; and whether or not they are pointed at us is irrelevant. Mr. Clinton keeps saying that they are not targeted at us. But as he knows, it takes a matter of seconds to re-target them. So, of course, they are targetable at us.

If Mayor Barry of Washington DC told me, as a citizen, that the guns of Washington were not pointed at me or my children and I asked where the guns were and where the bullets were and he could not answer that, I would be thinking he had a very foolish notion.

If I was told that the a Nunn-Lugar monies and the implementation of the Start Treaty had not actually dismantled any warheads and only very few missiles—and, yes, some old launchers—and that all of the missiles and warheads coming in from the Ukraine and

Belarus were only adding to the Russian inventory, then I would not say that that threat is reduced.

Also, if you exclude Hawaii and Alaska from the United States as the new CIA estimates does and if you also exclude the transfers of technologies that can accelerate indigenous threats, then you are cheating on your estimates. So we need a different estimate.

A particular problem has arisen with regard to China, and that is part of the focus of your session today.

My prepared statement raises ten specific issues with regard to China which are troublesome and which, in the proliferation area, as in the trade and human rights area—and I believe these are interrelated—require that we not treat China either in terms of business as usual or as children whom we slap on the wrist and ask to make new promises. We do not treat them as adults who should—as a standard practice of a developing country, or a developed country—work honorably with their international diplomacy and their agreements.

That is also why the connection between the absence of democracy and China and their breaking of promises abroad is so direct and why you are so correct, Congressman Smith, in challenging China's rights abuses and in standing with the human rights reformers.

If China was a democracy, that would be the best arms control there is. Probably the only effective arms control is democracy, because people who are democrats do not suppress their own people and use weapons against them. They do not cheat and break contracts. They have checks and balances. They have elections. They are naturally peaceful toward the outside world.

China is not a democracy. Its defense programs and its proliferation programs are not under democratic control. China's congress has no right to look at the budget there or the government's excesses, or to imprison people who are breaking laws.

So, first of all, it is not a democracy. Second, they have a very active proliferation program. Experts here have spelled that out. It especially includes Iran and Iraq and Libya and Algeria and Pakistan. And I would consider the Iranian infractions the most serious. The Pakistani problem is serious, perhaps; but the Iranians seem more wild and uncontrollable in how they might use the weapons. And they have, in the past, shown a particular hostility toward the United States.

There is also the issue that the Chinese are militarily a building power. They are building new strategic resources, strategic weapon systems, new missiles, and so on, often with our technologies, and with technologies they acquire from elsewhere. And they are building new conventional forces and highly mobile forces, partly, they say for internal security but clearly also for external reasons. They are building bases on Burma's coast. They have committed acts of war against Taiwan. They are already indicating what they will do in Hong Kong and what they will do in Macao in clamping down.

The advanced weapons that they are acquiring from different sources are also weapons systems that they can use in their neighborhood or could proliferate to others.

The Chinese record also is very bad in terms of compliance with international obligations they signed onto as part of the U.N. Char-

ter on Human Rights for the political rights that should be given to their people.

Insofar as we are serious on the human rights issue—and I leave more detailed discussion of specifics to my paper—when we exclude that, we are taking away the single greatest hope for reform and progress in China and for a peaceful collaborative world. Therefore, we would also be taking away the pressure on proliferation in a very, very direct way.

Just a final note stimulated by a panelist's statement on missile defenses.

Right now, any Third World country with a short-range missile can knock out Washington with that missile by putting it on a boat in the Chesapeake Bay; and we have no defense against that.

Right now we can have submarine threats or freighters with missiles. These short-range missiles, of which General O'Neil of the Pentagon's Ballistic Missile Defense Organization in the past year said there were 8,000, are an immediate threat. We do need active missile defenses. \$2.5 billion a year will provide the Upper Tier Aegis System, which is mobile and also provides some strategic capabilities to defend our homeland.

To rely on a peace of paper for our defense, the broken treaty is ridiculous. It is not even a legal treaty because there is no successor protocol to it and it was broken by the Russians in 1983. Instead, we need tough diplomacy, tough sanctions, and arms control agreements with effective verification. And we need, in case deterrence fails, and in cases that almost always happen arms control agreements break down, we need preemptive capabilities and we need active defenses. We should accelerate their deployment. And I believe that would help reduce the incentives for proliferants to acquire strike systems that can launch a strike in a matter of seconds and minutes and knock out entire U.S. cities.

So if you want to speak about saving money, please save our cities. It is a lot less extensive to have a \$40 million missile defense than to lose a city worth billions, not to mention the citizens in it.

I thank you very much for this opportunity.

[The statement of Mr. Kraemer appears in the appendix.]

Mr. SMITH. Dr. Kraemer, thank you very much for your very extensive testimony; and I have read through your written remarks; and they are very, very strong and very well documented.

All of you sat through Secretary Davis's testimony earlier; and I would like to ask you if you have any comments on her presentation.

But you make the comment, Dr. Kraemer, that the Clinton administration has gone to dangerous and ridiculous lengths to disguise the proliferation threat, apparently so as to paint its counter-proliferation and arms controls efforts as successes and to block U.S. strategic defense programs.

As a matter of fact, I am going to ask—because I know the Administration still has people in this room—the Administration to respond to your very serious charges, because I mean we are talking about tens of millions of people regionally and around the globe being put at risk if they are playing games with these very important issues.

I appreciate your comments on the human rights issue, is it naive on the part of the Administration? Is it just a matter of whatever gets you through the day so you have another day to barter and broker? Is it that there is a lack of concern about these issues, a lack of understanding? Why would they want to disguise the very serious and compelling threat, as one of our witnesses said, a clear and present danger to the United States?

Mr. KRAEMER. Well, let me just mention one recent example: The SS-18 ICBM issue.

The Administration last fall signed a space launcher transfer agreement with Russia which permits Russia a huge amendment to the Start treaties. It permits Russia to sell the servicing of stages of its intercontinental ballistic missiles anywhere in the world. Of course, the stages can be reassembled.

That means the SS-18 can leave Ukraine, or it can leave Russia and be sold to Libya, to Cuba, to China, to anybody. The Chinese were caught trying to get SS-18's this February in Ukraine and again in May. There probably was very high-level collusion by Chinese, Ukrainian and Russian officials. These were not amateurs running around.

The SS-18 technology going anywhere in the world gives an immediate ICBM capability, an intercontinental capability. But this agreement was treated as a great achievement by the Administration.

Mr. BERMAN. Wait a minute. What are you saying?

What agreement allows—

Mr. KRAEMER. The September 28th space launcher agreement signed with Russia, it has not been properly, or I think at all, reviewed by the Congress. It should be. It is one of many so-called successes. In this case, it is an amendment to a treaty that was treated by the Administration not as an amendment but as sort of an executive agreement.

Mr. BERMAN. Are there not a whole bunch of things on a missile technology list, on an annex that are prohibited? Why are you—I mean, there are no Category One items in this area that—you are saying that those were all—

Mr. KRAEMER. There are many contradictions in the policy. You cannot sign the space launcher agreement and pretend that you are against proliferation.

There are other high-risk agreements—the Nuclear Nonproliferation Treaty (NPT) should have been strengthened rather than extended “unconditionally and indefinitely”. It has no teeth. Henry Sokolski is one of those who points out that half the clauses in the treaty promote the proliferation of “peaceful”, yes, “peaceful” technologies in nuclear systems. But some of the “peaceful” things have dual i.e. military purposes. And they invite and raise the expectations of what can be shared. It is not an inconsistent defense by India or Pakistan or Iran or Russia, to say: We are invoking and practicing the NPT when we get or share nuclear technology.

So the NPT should have been tightened and corrected.

That's also true of most of the Administration's other agreements, especially, also some of the Nunn-Lugar legislation, which the General Accounting Office has shown to involve money that is largely wasted and going to corrupt purposes. These agreements

should be tightened so that the taxpayer gets his money's worth and so that when we talk arms control, we mean real arms control—not an excuse for pieces of paper that we know anybody can sign but which not everybody will implement and where they will not have any penalties to pay.

I invite you to read my testimony. I would be glad to come up and spend more than the 7 or 10 minutes assigned to me on that subject, because I believe it is extremely critical.

Mr. SMITH. Dr. Kraemer, we will take you up on that. As a matter of fact, our subcommittee has jurisdiction over the Arms Control and Disarmament Agency; and I think it might be very useful to have Part II of this hearing. This is a Full Committee hearing and, as Mr. Berman and I were talking about earlier, there has not been enough attention on the congressional side for many, many years given to these issues. So we would like to do that.

Mr. KREPON. Mr. Chairman, I would like to provide for the record the two-page text of the joint statement that Dr. Kraemer is talking about.

[The material appears in the appendix.]

What has happened here is an agreement that prohibits Russia from selling missile stages, or complete missiles, to any other country that can, then, turn them around and point these missiles at us.

This agreement permits Russia to provide launch services to other states but never, never to let go of missile stages or entire missiles and sell them to other states.

So if a country like, say, Brazil or another country, wanted to use a Russian launcher to launch a satellite, that country, Brazil, has two choices: It could go to the Russian Federation and provide the satellite to the space launch vehicle. It gets launched.

Or Russia could take the launch vehicle, or any part of it, take it to Brazil, retain control over it at all times, and launch the satellite there.

The latter has never occurred.

Now, it may occur in the future; but it has not yet happened. This is the nature of the agreement that was reached. And if you read it, you will see that it is protective of our national security interests.

Mr. KRAEMER. If I might, sir? If the guarantee of Russian control is firm, then it means forward basing of such ICBM systems by Russia, which is also dangerous since we would not want Russian space-launch/ICBM facilities in Cuba, for example. But even if the control was assured at any given moment, what happens if there is a coup or a terrorist strike? What happens if those troops are surrounded? What happens if the so-called assurance of control is gone?

Anyone who can launch a peaceful satellite into space can, of course, also launch a warhead into space.

So this is something that should have been examined by the Congress. This piece of paper is one more piece of paper which may look good in part but which has not been examined. In fact, it leaves us more vulnerable. It is like the CFE Treaty where the Conventional Forces in Europe Treaty just made huge concessions to the Russians, to the great consternation of our Turkish and Nor-

wegian allies and of the Baltic nations. This was defended as a great success because it got the Russian military off the hook and left larger Russian forces in place. Why should we have gotten them off the hook?

Mr. BERMAN. Mr. Chairman, we have such little time; and this is not a conventional arms control hearing. It is a proliferation hearing. I am just wondering if we could focus on proliferation issues?

Mr. SMITH. OK.

We do have another two subcommittees waiting to use the room momentarily. I have several questions. I will only ask one additional question and then will yield to my friend from California.

Earlier today, Secretary Davis suggested that the Chinese officials did not know about the transfer of poison gas factories to Iran. And we have heard those kinds of excuses given previously regarding other transfers that somehow the Chinese hierarchy was not involved.

I will never forget on one particular human rights trip that I had in the early 1990's, I met with Li Peng for 1 hour, along with Congressman Frank Wolf. We asked him about the Tiananmen Square students and activists. We asked about political prisoners. He denied that there were any political prisoners being held. We asked about the gulag or laogai, whether or not that existed in terms of exporting articles. And according to him, that was not happening. We asked him about coercion and population control. There are mountains of evidence about women being forced to abort, a crime against humanity, according to the Nuremberg War Crimes Tribunal. He denied that that was happening at all. We asked him about religious persecution. He said that nobody was in prison because of their religious beliefs. We pointed out the Tibetan Buddhists. And we pointed out a number of important issues. Every one of them was denied categorically. The same is now happening in the area of proliferation.

It does not take a rocket scientist to see that there is a pattern here.

How do you respond to Secretary Davis' testimony earlier today regarding these issues, that they just say: We do not know?

Mr. Sokolski.

Mr. SOKOLSKI. Yes. This also goes to the previous question. I think what you are seeing in nonproliferation policy is either a progression or a regression that has been going on for some time. It is just getting worse. And that is a focus on intent: Did they mean to do this?

I am reminded of the Federalist Papers admonition that of man's intent, one can debate; but of what they do, there is little dispute.

And I think most of the nonproliferation regimes that have been effective have focused on limiting capabilities.

And as you move toward saying well, SLV's are OK because they are peaceful useful uses of rocket technology; and if nations intend to use them peacefully that is OK.

With the case of China, did they really know they were proliferating? Did they mean to? Look, at some point, the reason you have laws on the books is to react against this tendency of the ex-

ecutive to make allowances and to try to walk the problem back by getting a commitment on intent.

That has been the reason why you have the Nuclear Non-proliferation Act of 1978; that is the reason why you have the Missile Provisions of 1990; it has always been in reaction to some horror story or stories that you say, enough.

You do not have to answer the specifics to know the general point.

What Congress must do is notice when the executive has gone beyond enough and demand specific action.

Mr. KRAEMER. Sir, just very, very quickly. The Defense Intelligence Agency's former director, General Clapper, and other officials have testified that every single Chinese business, especially those involved in international joint ventures, have the active participation of the People's Liberation Army. Not only that, but they are tied in with the leading parties and clans from Beijing.

The Chinese company that brought 2,000 AK-47 assault rifles into San Francisco last month offered Stinger missiles and grenades—with an obvious intent to stir up problems in our inner cities—was linked to the son-in-law of the Chinese Premier. If anybody in this room believes that any Chinese official would take the risk of incurring the wrath of the son-in-law of the Premier or that any of the other companies involved in the ring magnets deals with Pakistan companies which are clearly run by party officials at the highest levels in the People's Liberation Army—then I think they are really fishing for straws.

So the denial by the Chinese Government is totally, totally refuted by the interconnection between all of the senior, larger companies and the senior officials.

Mr. SMITH. Mr. Berman.

Mr. BERMAN. Yes, Mr. Chairman. I am in a bit of a pickle since I am ranking member of the subcommittee which is shaking my chair; so I will limit myself to one question.

There was something Mr. Krepon said that confirmed or reaffirmed something that was said in a discussion I went to earlier this week with Graham Allison and Richard Perle, that the threat of the stealing, sale, undercover of plutonium or enriched uranium to individuals who could make primitive nuclear devices and deliver them on the back of trucks and in suit cases, get them into the United States or into the territories of our allies and launch an explosion of devastating proportions is a significantly greater threat than whether or not Pakistan is developing a nuclear program or Argentina and Brazil are pursuing a long-range missile program—that that is a much bigger threat in terms of odds of terrible things happening.

And I am wondering, is that what you meant to say?

And what do the other witnesses think of that?

Mr. KREPON. That is what I believe, is that the nature of the threat today is the truck bomb and the spreading around of weapons-grade material or low-grade nuclear material, biological material, chemical material. That is a here and now problem.

The acquisition of an intercontinental ballistic missile by a rogue state is a problem that may exist 15 years from now, but that is remote. That probability is remote.

So we have to get our priorities straight, and we have to apply our resources where our priorities ought to be.

Mr. SOKOLSKI. Congressman Berman, two comments.

As much as I would sometimes agree that what goes on in Pakistan and India may not be as central to some national security perspective that we may have at the present, it is really hard to know what the world will look like if nuclear weapons are used once.

And I really do not know what would happen. It could be a great event in the sense that it is not that important and we all come to learn that we do not need these weapons and people should not get them; or it could be something very, very dark and dangerous.

That said, in answer specifically to your question, I can think of one thing worse than leakage; and that is remilitarization. And the reason I think that, is the Russians are worried about that. Now, they think we are going to remilitarize our stockpile.

One of the findings of the Task Force on Nonproliferation Policy Reform reflected analysis by the RAND Corporation that probably at least as important as preventing leakage and, in fact, the complement in helping to prevent leakage is to get the stockpiles of the United States and Russia that are declared to be in surplus because of dismantlement out of those countries to some third neutral spot. Something to think about.

The day after really is worse than losing a city.

Mr. KRAEMER. I would rank the Russian missiles as the chief threat because of the instability in Russia. Undetectable ship-borne missiles off our coasts could knock out cities in a matter of minutes. You can always have some warning, or hope to, of organizations that have trucks and are moving them and the cadre that are involved. Some intelligence, hopefully will intercept these. But if a ship gets through with a missile and launches it, we are gone. Or if it threatens to, we have no defenses.

And a third threat is that any war that breaks out in the Middle East that uses these weapons can escalate and risk going unconstrained. We were very lucky, extremely lucky in the Gulf War that the only missile that killed Americans killed "only" 28, and wounded "only" 79. What if it had had a warhead of mass destruction in it?

And one of those missiles got within a few hundred yards of a troop ship with 5,000 Marines on it and was right by an ammunition dump. We could have lost 5,000 Marines.

Mr. SMITH. I want to thank our very distinguished panel for your testimony. I appreciate your answers. And I look forward to an additional session, because this issue needs much more scrutiny than it has gotten.

This hearing is adjourned.

[Whereupon, at 2:10 p.m., the hearing was concluded.]



# APPENDIX

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## **Controlling the Spread of Dangerous Weapons: An Overview of the Clinton Administration's Non-Proliferation Policy**

**Testimony Submitted for the Record, House International Relations Committee**

June 19, 1996

Under Secretary of State for  
Arms Control and International Security Affairs  
Dr. Lynn E. Davis

Preventing the proliferation of dangerous weapons is key to preserving the security of America in the post-Cold War world. The Clinton Administration has made controlling the spread of such weapons one of its highest priorities.

Let me describe our major accomplishments, and then turn to the challenges ahead.

### **Accomplishments**

- The indefinite extension of the Nuclear Non-Proliferation Treaty (NPT) in 1995, without conditions, provides a permanent framework for our efforts to prevent the spread of nuclear weapons.
- The U.S.-North Korean Agreed Framework has frozen the North Korean nuclear program. Implementation of the Agreed Framework in the coming years will remove the nuclear threat posed by North Korea to regional and global stability.
- As a result of the Trilateral Statement brokered by the U.S., Ukraine has joined the Nuclear Non-Proliferation Treaty as a non-nuclear weapons state, and transferred all nuclear warheads in its territory to Russia for dismantling. We have also been successful in getting Kazakhstan and Belarus to accede to the NPT. All nuclear weapons have been removed from Kazakhstan, and the small number of the remaining weapons in Belarus will be removed this year.
- Highly enriched uranium extracted from dismantled Russian nuclear weapons is being converted into commercial reactor fuel and delivered to the U.S. for use in our nuclear power plants.
- In the coming year, we will be working with Russia and other NIS countries to improve the security at more than 35 fissile material storage sites, roughly three-fourths of all such locations, and provide better accounting for hundreds of tons of weapons-usable nuclear material.

- We have increased cooperation to help ensure the maintenance of security during shipment and storage of Russian nuclear weapons in support of their destruction. We are providing Cooperative Threat Reduction assistance including security upgrade kits for nuclear weapons railcars, emergency support equipment, and supercontainers to support the increase in transportation of nuclear weapons scheduled for elimination.
- We have taken concrete bilateral steps to combat nuclear smuggling, as in the case of Project Sapphire where multiple bombs' worth of Highly Enriched Uranium was transferred from Kazakstan to the United States.
- U.S. leadership at the Moscow Nuclear Summit achieved a strong endorsement of international efforts to strengthen the IAEA safeguards system and its ability to detect clandestine nuclear activities; the launching of a multilateral program to combat nuclear smuggling, involving the G-7 countries, Russia, and Ukraine; the initiation of a systematic study for international cooperation to dispose safely of excess plutonium from dismantled weapons; and Russian endorsement of the principle of "safety first" in the operation of nuclear power reactors.
- More than thirteen thousand scientists from Soviet WMD programs are conducting peaceful scientific projects in U.S.-funded science and technology centers in Moscow and Kiev. These centers provide financially rewarding work that will reduce the risk that these scientists will be lured away by money from rogue or terrorist states.
- In 1996, the U.S. signed the relevant Protocols to Nuclear-Weapons Free Zone (NWfZ) treaties in the South Pacific and Africa, thereby strengthening the role of these treaties in the international nuclear non-proliferation regime.
- The U.S. has played the principal role in helping the United Nations build a strong mechanism to monitor Iraq's capabilities to produce weapons of mass destruction, and in maintaining support for continuing economic sanctions pending Iraq's compliance with all of its Security Council obligations.
- Russia, Brazil, Argentina, South Africa, South Korea, and Ukraine have accepted international guidelines preventing the spread of missiles and missile technologies, as called for by the Missile Technology Control Regime (MTCR).
- The Chinese in 1994 committed to a global ban on sales of MTCR-class ground-to-ground missiles, a more strict commitment than the MTCR requires, and reaffirmed their original commitment to these guidelines.

- The U.S. obtained clarifications and assurances regarding China's nuclear non-proliferation policies, including a significant new commitment not to provide assistance to unsafeguarded nuclear facilities.
- In an agreement with the United States, Russia agreed to close down its arms sales to Iran in the coming few years and in the future not to transfer arms or arms-related technology. Transfers under existing contracts will be reasonably limited in time and content, and will not provide Iran with new capabilities, alter the regional military balance, or compromise our ability to ensure our security in that part of the world.
- U.S. leadership has brought together more than 30 countries to establish the Wassenaar Arrangement, a new international regime to increase transparency and responsibility for the global market in conventional armaments and dual-use goods and technologies. This regime aims to prevent destabilizing future accumulations of arms and to deal firmly with today's threats to security through restraint in trade to the pariah countries.

### **The Non-Proliferation Challenges Ahead**

#### *The NPT and Beyond*

In extending unconditionally the Nuclear Non-Proliferation Treaty, the parties set three very important goals: concluding in 1996 a Comprehensive Test Ban Treaty (CTBT), undertaking negotiations to ban the production of fissile materials for nuclear weapons purposes, and strengthening the IAEA safeguards system so as to increase the ability to detect undeclared nuclear facilities. The Clinton Administration is giving these activities its highest priority.

The CTBT will be a truly comprehensive test ban which will constrain development of nuclear weapons among nuclear aspirants and threshold states, as well as the development of new types of nuclear weapons by nuclear weapon states. Under a CTBT, the United States will retain confidence in the safety and reliability of our nuclear stockpile. Our goal is to open a CTBT for signature this fall.

#### *The Chemical Weapons Convention*

The Clinton Administration also attaches a high priority to strengthening the international norm against chemical and biological weapons. To that end, the President has called upon the Senate to ratify the Chemical Weapons Convention as soon as possible. This international treaty outlawing poison gas will make an important contribution to our efforts to stem the spread and use of chemical weapons, including by terrorist organizations. The U.S. is also working closely with other countries to negotiate a new, legally binding protocol to enhance compliance with and deter violations of the Biological and Toxin Weapons Convention.

*Russian and Chinese Nuclear Cooperation with Iran*

We remain deeply concerned by Iran's pursuit of weapons of mass destruction, particularly nuclear weapons. We have carefully monitored and sought to impede Iran's attempts to procure a range of nuclear technologies that are unnecessary for, and in our view inconsistent with, a purely peaceful nuclear program.

Our policy remains to oppose all nuclear cooperation with Iran and prevent transfers of any nuclear material, equipment, or technology to Iran. We have agreement on that policy among the other G-7 countries. Our focus is now on Russia and China, which continue to engage in certain kinds of nuclear cooperation with Iran.

We have been encouraged by Russian statements opposing Iran's acquisition of nuclear weapons, but we will continue to press Russia to cut off all assistance to Iran's nuclear program on the grounds that any nuclear cooperation, even that which may be technically permissible under the NPT and subject to IAEA safeguards, will assist Iran's nuclear development effort, including the provision of light water reactors.

The President recently determined that continuing assistance to support democratic and economic reform in Russia is important to the U.S. national security interest, and thus invoked the waiver provision of the Foreign Operations Appropriations Act regarding nuclear cooperation with Iran. The President's decision to take this step reflects the view that cutting off assistance to Russia at this juncture would not positively affect the dialogue on limiting Russian nuclear cooperation with Iran and would undercut the reform process in Russia.

Ours is a long-term strategy. Iran's current financial difficulties will affect its ability to pay for nuclear facilities it hopes to acquire and, with time, we expect there to be more direct evidence of Iran's nuclear intentions. Both of these factors will work in our favor. In the meantime, however, we will continue to press for the termination of all Russian and Chinese nuclear cooperation with Iran.

China has played an active role in Iran's civil nuclear program since the mid-1980s and maintains that its assistance is strictly for peaceful purposes. Chinese sales of nuclear facilities to Iran -- small research reactors and other related facilities -- have been subject to IAEA safeguards. Last fall, China suspended its plans to sell Iran two small power reactors due to difficulties in site selection and financing. Its cooperation with Iran appears consistent with its NPT obligations, and we have no reason to believe that China would knowingly assist Iran to acquire nuclear weapons. Nonetheless, we have opposed, and will continue to oppose the Chinese government's cooperation with Iran's civil nuclear program, emphasizing to Beijing that such cooperation will help to build a nuclear infrastructure that could assist Iran's acquisition of nuclear weapons.

### *Missile Non-Proliferation*

We continue to have serious concerns regarding Chinese missile cooperation with Pakistan and Iran, which could contribute to Pakistan and Iran's acquiring delivery systems for weapons of mass destruction; transfers by Chinese entities of dual-use chemicals and equipment that could be used in Iran's chemical weapons program; and China's transfers of conventional weapons to Iran. We have raised our objections to such activities at the highest levels of the Chinese government.

We keep under continuing review the evidence to see whether any of these activities trigger U.S. sanctions. For example, we are now addressing whether the transfer of Chinese built C-802 cruise missiles is sanctionable under the Iran-Iraq Arms Non-Proliferation Act of 1992. The Act provides for the imposition of sanctions when a foreign person or country transfers goods or technology "so as to contribute knowingly and materially to the efforts by Iran or Iraq ... to acquire destabilizing numbers and types of [certain] advanced conventional weapons." Similarly, we continue to monitor and evaluate reports that China may have transferred missiles, missile equipment or related technology to Pakistan or Iran, activities that could trigger sanctions under U.S. law.

As this Administration has demonstrated in the past, we will impose sanctions as required by our law in order to achieve our overall non-proliferation goals.

### *Iraq*

The challenge of enforcing Iraqi compliance with Security Council resolutions will continue to require Security Council unity and resolve. For our part, this will require alert, energetic diplomacy; solid day-to-day support of U.N. inspection operations; and both political and military readiness to respond to any renewal of Iraqi threats against either U.N. inspectors or Iraq's neighbors.

In March -- when Iraq last blocked access to the U.N. Special Commission (UNSCOM) inspectors -- Iraq forced the Security Council to act to remind Baghdad of its obligations. The U.S. Government hoped that the message it sent registered. At that time, we explained that Iraq would only respond if the Council acted quickly and forcefully. Having failed to respond adequately then, we now see Iraq blocking U.N. inspection teams again.

Let me be clear. The Iraqi regime must not be allowed to interfere with the work of UNSCOM. As Secretary Christopher noted earlier this week, UNSCOM must receive immediate and unrestricted access to Iraqi facilities.

That is why it is so important that our message be swift and strong -- and the U.S. Government is working with other members of the Security Council to assure that the Council acts firmly.

## Conclusion

Assuring security for Americans, and enhancing international security, is a critical priority of this Administration. Non-proliferation and arms control remain key to accomplishing that goal. To succeed, we need to be sensitive to the underlying causes that drive countries to acquire dangerous arms. We must frame a multilateral approach and be able to use our sanctions legislation to complement our diplomacy. We will not succeed unless we can enlist the cooperation of our key friends and allies. The roles of both China and Russia in our cooperative efforts will be critical to our success.

U.S. leadership has been essential in our successes to date, and we remain committed to continue that leadership as we face these remaining challenges.

June 16, 1994

LYNN E. DAVIS  
UNDER SECRETARY OF STATE  
FOR ARMS CONTROL AND  
INTERNATIONAL SECURITY AFFAIRS

Lynn E. Davis is Under Secretary of State for Arms Control and International Security Affairs, having joined the Clinton Administration in February, 1993.

Prior to taking up her duties at the Department of State, Dr. Davis was Vice President of RAND in Santa Monica, California.

Dr. Davis's previous government service includes four years in the Carter Administration as Deputy Assistant Secretary of Defense for Policy Plans. She had previously served on the staffs of the Senate Select Committee on Intelligence and the National Security Council.

Dr. Davis has taught national security policy at the National War College, and political science at Columbia University. From 1985-1989, she served as Director of Studies of London's International Institute of Strategic Studies.

Dr. Davis earned a B.A. at Duke University and a PhD at Columbia University. Her published works include An Arms Control Strategy for the New Europe; Assuring Peace in a Changing World: Limited Nuclear Options: Deterrence and the New American Doctrine; and The Cold War Begins: Soviet/American Conflict Over Eastern Europe.

## Nonproliferation and China: Why and How We Can Do Better

Henry Sokolski  
Executive Director  
The Nonproliferation Policy Education Center  
Washington, DC

Testimony Before the House International Relations Committee  
19 June 1996  
Washington, D.C.

**The Nonproliferation Policy Education Center**  
*1718 M St, NW, Suite 244, Washington, D.C. 20036 ph: 202-466-4406 / fax: 202-659-5429*  
*E-mail: nsic@icenet.com*

*If the U.S. did nothing but stop subsidizing known proliferators and started following the law, it would be a major change for the better. If in addition, the U.S. fights proliferation in a peaceful, but competitive fashion as early as these threats are anticipated, the U.S. can not only improve its fight against proliferation, it can win.*

### **What's Wrong?**

#### **Our Nonproliferation Policies Lack Strategic Purpose or Effect:**

- They are too preoccupied with promoting international support of nonproliferation agreements at the expense of enforcing their norms.
- To secure these agreements, they are too eager to compromise and cooperate with proliferators at the expense of stigmatizing or leveraging their bad behavior.
- Because they generally avoid casting proliferators as entities that oppose US security interests, they lack a vision capable of clearly defining what's a nonproliferation success.

### **What Should We Do?**

#### **Take Nonproliferation Controls More Seriously:**

- stop ignoring U.S. nonproliferation sanctions laws
- stop directly subsidizing known proliferators
- stop making proliferators nonproliferation regime members (which, frequently exempts them from U.S. sanctions and gives them freer access to strategic technology – e.g., the IAEA and Western assistance to Iraq nuclear program in the 70s and 80s).

#### **Fight Proliferation As Soon As It's Anticipated Rather Than After It's Realized:**

- Start grappling with proliferation threats with the first intelligence reports – 10-15 years before these threats might be realized – rather than 10-15 months ahead when the most popular option is to "manage" these problems through appeasement
- Tailor long-term strategies against the worst of the proliferation threats so that they either never emerge (e.g., Argentina) or are defused peacefully (e.g., South Africa).
- Don't just devise defenses to limit the possible damage that key proliferators might inflict, devise ways to pit our relative strengths against them in peaceful offensives that will restrain them and eventually transmute them into less hostile regimes much as the Cold War did with the Soviets (see "Next Century Nonproliferation").

#### **Have Congress Demand the Above Through Routine Budgetary Oversight**

- Rather than limit itself to doing annual budget reviews of the \$80 million counterproliferation budget, Congress should identify and line-item the hundreds of millions of dollars being spent to fight proliferation, do routine oversight of this activity and hold this funding hostage to performance.

### **The China Case: What's Wrong**

- The U.S. is more concerned about China saying it supports the NPT and the CTB than it is about taking effective action so they don't violate these regimes.
- Thus, U.S. officials repeatedly praise China for its willingness allow them to claim that China has agreed to adhere to the NPT, CWC, and MTCR even when China's unwilling to affirm such agreements publicly and violates them repeatedly.
- Worse, U.S. officials allow direct U.S. government support of the entities most guilty of proliferation – the Chinese rocket and nuclear entities U.S. intelligence has identified – arguing that such commerce will help wean them away from their proliferating ways.
- Finally, when China does clearly proliferate, U.S. officials preemptively assume it is a mistake or the result of misguided greed, instead of commerce that is literally paying China to

realize its strategic aims to 1) contain its most significant potential competitor in South West Asia –India; 2) upset the ability of its most significant potential Pacific competitor, the U.S., to maintain Western access to Persian Gulf oil and assure Middle East peace; and 3) underwrite the modernization of China's nuclear, strategic rocket, and space forces.

### **China: What's Needed**

#### **Enforcement of U.S. nonproliferation sanctions laws:**

- o Congress should be concerned not only with the Administration's unwillingness to sanction the sale of ring magnets to Pakistan (for which the White House deigned to issue a waiver), but China's M-Family missile assistance to Pakistan and SCUD upgrade and production technology to Iran; its chemical weapons assistance to Iran; and its sale of anti-shiping missiles to Iran, where the White House has behaved as if nothing happened and not even issued sanctions waivers as required by law.

#### **An End to U.S. Subsidies of Known Proliferators:**

- o DoE-funded AP-600 power reactor cooperation and \$800 million in Ex-Im Bank guaranteed loans to complete reactors for China National Nuclear Corp. should be killed until PRC stops nuclear weapons aid to Pakistan and publicly commits to do so. U.S. high-end computer/software sales to PRC strategic weapons facilities also should be killed.
- o State and Commerce Department-approved transfers of U.S. satellites to the Chinese missile entities helping Iran and Pakistan should be banned until such missile trade stops.
- o The Securities and Exchange Commission should be tasked to reexamine its recent approval of Chinese bonds for sale on the U.S. bond market to make sure that none of the U.S.-raised funds ends up subsidizing Chinese proliferators (i.e., the PLA).

#### **A Moratorium on Making Proliferators Members of Nonproliferation Regimes:**

- o In China's case, the U.S. has undermined the leverage it once had to sanction those helping China modernize its strategic rocket forces – Russia and the Ukraine – and over one of the most significant consumers of PRC missile technology – Brazil. The reason why is the U.S. made Ukraine an MTCR "adherent" for purposes of law and Russia and Brazil members. As such, these nations cannot be sanctioned under U.S. law. This recommends: 1) changing U.S. law to eliminate sanctions exemptions for nonproliferation members and "adherents" and 2) making sure the Executive does not try to fix the Chinese proliferation problem by making China an "adherent" for purposes of law.

#### **An Effort to Anticipate Rather than React to Proliferation Threats:**

- o Congressional focus on developing missile defenses is sound but needs to be complimented by at least as much discussion and debate over our nonproliferation policies, which too frequently accelerate the very threats we must defend against (e.g., China).
- o Congress has been briefed by virtually every agency and official responsible for managing proliferation crises *after* they break but by virtually none of those responsible for anticipating and defusing these problems in advance. CIA's Integrated Regional Threat Group within the Office of Weapons Technology Proliferation and DoD's Office of Net Assessment are perhaps the only places that this work is being done. Yet, Congress has never asked them to testify. This sends a dead wrong message: That reacting to proliferation after it's realized is more important to Congress than anticipating and defusing it.

#### **Routine Budgetary Oversight of Our Fight Against Proliferation:**

- o The number of officials (600-plus) and offices dedicated to fighting proliferation (over 60) are growing so fast, the Executive spends thousands annually simply to get a notional directory of who's who. Congress, should ask the GAO to detail who's spending what and, then, routinely ask the Executive to explain what we're getting for our money.

## HENRY D. SOKOLSKI

Henry D. Sokolski is the Executive Director of the Nonproliferation Policy Education Center, a Washington nonprofit organization founded in 1994 to promote a better understanding of strategic weapons proliferation issues for academics, policy makers, and the media. Mr. Sokolski teaches graduate school courses on proliferation at Boston University's Institute of World Politics in Washington, DC and is currently completing a book on proliferation, *Armageddon's Shadow*, for the University of Kentucky Press.

From 1989 to early 1993, Mr. Sokolski was a political appointee of the Bush Administration and served as Deputy for Nonproliferation Policy in the Office of the Secretary of Defense. For his leadership in tightening existing export controls and identifying future proliferation threats, he was awarded the Secretary of Defense's Medal for Outstanding Public Service. Prior to this appointment, Mr. Sokolski worked in the Secretary's Office of Net Assessment as a full-time consultant on advanced proliferation issues.

Besides his work in the Executive, Mr. Sokolski has seven years experience on Capitol Hill. From 1984 through 1988, he served as Senior Military Legislative Aide to Senator Dan Quayle. He helped the Senator focus greater attention on the Third World missile threat, to need to fund new conventional cruise missiles and Patriot missile defense upgrades (later used in Desert Storm), and to frame the Intermediate Nuclear Forces (INF) Treaty debate on futuristic weapons (which forced the Treaty to be amended). From 1982 through 1983 he served as Special Assistant on Nuclear Energy Matters to Senator Gordon Humphrey, helping him terminate over \$14 billion in federal nuclear projects (including the Clinch River Breeder Reactor) that raised economic and proliferation concerns. In addition to his Hill service, Mr. Sokolski served briefly as a consultant on proliferation issues to the Director of Central Intelligence's National Intelligence Council.

Prior to public service, Mr. Sokolski was a Visiting Scholar focusing on nuclear issues at the Heritage Foundation in 1982; a Public Affairs Fellow at the Hoover Institution, Stanford, California in 1981; and a lecturer at the University of Chicago, Rosary College, and Loyola University. He attended the Resident Honors Program at the University of Southern California, and earned a BA in political science from Pomona College and a MA (and ABD—all but dissertation) in political science from the University of Chicago.

Mr. Sokolski is listed in the current editions of *Who's Who of the East*, *Who's Who of the World*, and *Who's Who of Finance and Industry*. In addition to Congressional testimony, his work has appeared in a number of publications including *The Wall Street Journal*, *The Christian Science Monitor*, *The Washington Post*, *ORBIS*, *Comparative Strategy*, *The Washington Quarterly*, *International Defense Review*, and *The Annals of the Academy of Political and Social Science*. He has also been appeared on CBS's 60 Minutes, The McNeil-Lehrer Report, and National Public Radio and been cited in virtually all of the country's major news publication.

TESTIMONY OF MICHAEL KREPON  
PRESIDENT, THE HENRY L. STIMSON CENTER  
COMMITTEE ON INTERNATIONAL RELATIONS  
U.S. HOUSE OF REPRESENTATIVES

June 19, 1996

Mr. Chairman:

We need more effective protection against weapons of mass destruction. We also need better protection of tax payer wallets. The essential question before this committee is how to protect and defend the interests of this country while spending tax dollars sparingly and wisely.

To answer this question, we need to look at the problems posed by weapons of mass destruction in their entirety. We must not focus primarily on the last fifteen minutes of the problem, when an intercontinental ballistic missile and its warheads are heading toward this country. It's extraordinarily difficult to defend the country in the last fifteen minutes before detonation, even with the best missile defenses that money can buy. We can spend tens of billions of dollars trying to solve this problem, and still not succeed, especially if our front lines of defense against nuclear danger are weak.

The front lines of defense are the non-military means our country possesses to combat the dangers of weapons of mass destruction. The front lines of defense include effective diplomacy, properly functioning alliances, early warning from our intelligence community, proper implementation and negotiation of threat reduction and destruction treaties, export controls, and the Nunn-Lugar-Domenici program. Properly trained and equipped military forces constitute our second line of defense against weapons of mass destruction. If diplomacy fails and if the national interest warrants, we must put troops in harm's way to deter and, if necessary, defeat those who would injure our country, our allies, and our friends abroad.

Before deciding how much to spend on the last line of defense against ballistic missiles, and what kinds of defenses to deploy, we need a sense of priorities. Many threats are possible, but some are far more likely than others. We need a balanced overview of the threat posed by weapons of mass destruction in order to develop a better sense of priorities and to avoid unnecessary expense. Only then will the Congress provide for a comprehensive--and cost-effective--program to deal with the threats posed by weapons of mass destruction.

A balanced survey of the threat may surprise you. In many important respects, the Reagan, Bush and Clinton administrations have made significant gains in combating and reducing the dangers posed by weapons of mass destruction:

- Extraordinary nuclear arms reduction treaties have been negotiated that are dramatically reducing deployed forces. Entire categories of weapons have been destroyed or decommissioned.
- All but a very few countries have now stopped producing weapon-grade fissionable material.
- The Nuclear Non-Proliferation Treaty has recently been extended indefinitely, and has become nearly universal in scope.
- Many states of proliferation concern have either joined the NPT or embraced equivalent constraints in recent years, most notably Argentina, Brazil, South Africa, Ukraine, Kazakhstan, Belarus, and Algeria.
- Most countries able to export missile and nuclear technologies have agreed not to supply states that do not adhere to non-proliferation norms.
- Countries that once had ballistic missile programs of concern, such as Argentina, Brazil, and South Africa, have now agreed to adhere to the guidelines of the Missile Technology Control Regime.
- North Korea's dangerous nuclear program has apparently been frozen. Moreover, if P'yongyang tries to export medium-range ballistic missiles to countries of proliferation concern, it would place in grave jeopardy the foreign financing needed for civilian power generation.
- Saddam Hussein's programs to produce weapons of mass destruction have been uncovered. Captured weapons and key equipment have been dismantled and destroyed. Periodic inspections continue on Iraqi soil.
- A truly comprehensive nuclear test ban treaty that will reinforce other efforts to devalue dangerous nuclear weapons is within reach.

This is only a partial, but quite impressive, list of accomplishments over the past decade. On the other hand, significant concerns remain, and some problems have become more troubling in recent years.

- U.S. relations with both Russia and China have deteriorated and could worsen. This is unlikely to result in ballistic missile attacks against the United States, but could easily translate into more, or more serious, transactions with states of proliferation concern.
- There are quite large and dispersed stockpiles of nuclear material in the former Soviet Union. While much progress has been made to secure these stocks, some facilities remain poorly guarded and must be inviting targets for those who wish to acquire the means of spreading nuclear terror.
- Recent gains in states such as North Korea and Iraq are not set in concrete. Reverses could occur at any time. Other states, such as Iran, Libya and Syria, stubbornly remain outside of international norms. While these states are unlikely to acquire intercontinental ballistic missiles, they have other means of causing harm.
- While most regions are moving away from proliferation, South Asia is moving in the wrong direction.
- Chemical and biological weapons are easier to acquire than nuclear weapons. The first use of crude chemical weapons as an instrument of urban terror by a subnational group occurred one year ago in Japan--a very disturbing precedent. Regrettably, the Chemical Weapons Convention has yet to enter into force, as it awaits the Senate's and Duma's consent to ratification. The CWC requires unprecedented transparency. In contrast, the Biological Weapons Convention lacks a verification protocol and requires strengthening.

What, then, is the balance sheet? There are success stories as well as horror stories. We face both positive and negative trend lines. One area of measurable progress may surprise you: ballistic missile threats to the United States have decreased markedly in recent years. The most important area of concern--at least in my view--remains the potential for seepage of nuclear material from the former Soviet Union, and the use of that material by subnational or terrorist groups.

Overall, it appears that advances in non-proliferation over the past decade clearly outweigh setbacks. Many key states have joined non-proliferation regimes, and only one state--North Korea--has tried (unsuccessfully) to leave. Efforts are underway to strengthen these regimes. Troubling nuclear weapon programs have decreased in number. While short-range ballistic missile and cruise missile programs

have spread, sophisticated and longer-range missile programs remain few in number. The current number of potentially hostile states of proliferation concern is down to five, and may be reduced further in the near-term.

The best judgment of the U.S. intelligence community--both during James Woolsey's tenure and at present--is that new potentially hostile states are not likely to develop their own intermediate- or longer-range ballistic missiles over the next fifteen years. All of this is welcome news.

There is no room for complacency, however. The illicit purchase of nuclear materials from the former Soviet Union constitutes a clear and present danger. While the international community has had some notable successes in stopping seepage, it only takes one major criminal transaction to create havoc in a city center. The acquisition and use of chemical and biological weapons by states, subnational groups, or terrorists also constitute a clear and present danger. Unlike threats from intermediate- and intercontinental-range ballistic missiles that may be fifteen years away, the threats posed by terrorist acts involving nuclear, chemical and biological material are here and now.

A balanced, rank-ordering of threats to the United States posed by weapons of mass destruction begins with truck bombs and terrorist acts and ends with ballistic missile attacks. I'm not alone in considering the threat to the United States posed by ballistic missiles to be remote. This view is also shared by the Department of Defense, the Ballistic Missile Defense Organization, and the U.S. Intelligence Community. Before spending extremely large sums of tax payer dollars on intermediate- or intercontinental-range ballistic missile defenses, I urge you to hear directly from these officials.

BMDO has prepared a chart summarizing the ballistic missile threats posed by potentially hostile countries which I have attached to my remarks for your review. This chart was prepared for Under Secretary of Defense Paul G. Kaminski for his testimony before the Senate Committee on Armed Services on March 6, 1996. I ask that this chart be inserted into this hearing record along with my remarks. This chart lists ballistic missile threats to the United States through the year 2015. Please note that none of these threatening ballistic missiles can reach our country with the exception of the barely visible line at the far right hand corner of the chart. This is the "Far Term" threat posed by the so-called Taepo Dong II missile, whose range is listed as in excess of 1,500 kilometers.

If North Korea--a country on the brink of starvation and collapse--engages in a

multi-billion dollar crash effort, it might be able to deploy the much-discussed Taepo Dong II missile, according to our intelligence community. Let's assume, for the purpose of argument, that an impoverished North Korean state can secure the funds and expertise to master new tasks of missile staging, guidance, and weaponization. Let's also assume that the North Korean government could master these tasks sufficiently to deploy a 4,000 kilometer missile--a fourfold increase in range from the existing No Dong missile. Given all these dubious assumptions, North Korea's new Taepo Dong II missile would still land 1,000 kilometers short of Honolulu and 2,000 kilometers short of Anchorage.

Why, then, the sense of urgency that some Members of Congress feel about defending against North Korean missiles that may or may not be able to reach the Aleutian Islands or the westernmost portion of the 2,000 kilometer-long Hawaiian Island chain many years from now? Anything, of course, is possible. But how probable is this threat? Is this really the best use of many billions of tax payer dollars? Nor is P'yongyang likely to be able to purchase intermediate- or intercontinental-range missiles from another state. Given the dangerously unpredictable state of the wobbly North Korean regime, any seller would immediately become vulnerable to the buyer.

As the BMDO chart prepared for Under Secretary of Defense Kaminski clearly shows, the North Korean missile threat is regional in nature. This missile threat, and the other threats depicted on the chart, cannot reach the United States, but they can cause great harm to forward-deployed U.S. forces, allies and friends. Tax payer dollars spent to improve defenses against short-range missiles, and to develop effective theater missile defenses, is money well spent.

National missile defenses against rogue state threats are another matter entirely. Listen to the conclusion reached by the CIA threat estimate prepared for James Woolsey, declassified in November 1993:

Only China and CIS strategic forces in several states of the former Soviet Union currently have the capability to strike the continental United States (CONUS) with land-based ballistic missiles. Analysis of all available information shows the probability is low that any other country will acquire this capability during the next 15 years.

The current Chairman of the National Intelligence Council, Richard N. Cooper, was prepared to brief the House National Security Committee on February 28, 1996 with an update of this threat estimate, but the Committee declined to hear

this testimony. A copy of the Intelligence Community's updated threat estimate, as well as the estimate prepared for CIA Director Woolsey, is attached to my statement. I ask that these short attachments appear in the Committee's hearing record. I call your attention to the following passages from the 1996 Intelligence Community threat evaluation:

- "Making the change from a short or medium range missile--that may pose a threat to US troops located abroad--to a long range ICBM capable of threatening our citizens at home, is a major technological leap."
- "North Korea is unlikely, in the next 15 years, to obtain the technological capability to develop and deploy a longer range ICBM capable of reaching the contiguous 48 states.... We have no evidence that P'yongyang has begun or intends to begin such a program."
- "No other potentially hostile country has the technical capability to develop an ICBM in the next 15 years."
- "In making our assessments, we have allowed for acquisition of some foreign technology by the countries of interest."
- "We expect no country that currently has ICBMs will sell them...exporting countries probably would be concerned that the missiles might be turned against them."

The chart prepared for Dr. Kaminski depicting ballistic missile threats does not include the large number of globe-spanning missiles possessed by Russia, or the small number possessed by China. These missiles are potentially dangerous, but are they ample justification for national missile defenses? How much of a threat do these missiles pose?

The 1996 Intelligence Community threat evaluation deals with the possibility of an unauthorized or accidental missile attack involving these forces. Here is what the NIE concluded:

[T]he Intelligence Community reaffirmed earlier assessments that the current threat to North America from unauthorized or accidental launch of Russian or Chinese strategic missiles remains remote and has not changed significantly from that of the past decade.

There is also the possibility of a deliberate attack on our shores by means of a Russian or Chinese strategic missile. During the Cold War, several crash programs to deploy national missile defenses were proposed. Since 1962, the United States Congress has appropriated a total of \$99 billion (in FY 1995 dollars) for national missile defenses. In our undefended state, no missiles attacked our shores. Unlike the Soviet Union, we could have spent many billions of dollars more to operate and upgrade deployed missile defenses, but we declined to do so. Nuclear deterrence worked. Our fearful ability to retaliate with devastating force to any missile attack proved to be our best and most cost-effective defense. Our nation's retaliatory capabilities remain in place. Why would a nation choose to attack us with nuclear-tipped ballistic missiles now that the Cold War is over?

Anyone proposing national missile defenses must be able to answer the following two questions: How many billions of dollars more do you wish to spend to protect the country against low probability threats? Against how many Russian or Chinese re-entry vehicles do you wish to defend? The price tag of this insurance policy doesn't stop at the cost of defenses. To this must be added the costs of worsened relations with Russia and China. Added costs would be incurred, for example, by maintaining strategic forces that would otherwise have been reduced by strategic arms reduction treaties. If national missile defenses foreclose a long term process of very deep reductions in Russian ballistic missiles, are we any better off? We may well have purchased at considerable expense an insurance policy against a remote threat, but are we any safer? Does it make sense to be for missile defenses and against a START III or START IV treaty?

Surely, this country has far more pressing problems than the threat of ballistic missile attack. The tragic incidents at the Federal Building in Oklahoma City and the World Trade Center in New York clearly demonstrate what our priorities should be in this field. The essence of the problem our country now faces is truck bombs, not intercontinental ballistic missiles. We also need better preventive defenses against terrorists who might use nuclear materials, biological or chemical weapons to disable city centers or subway systems.

Our front lines of defense against these clear and present dangers need to be strengthened. The first line of defense against the proliferation of these dangerous weapons and their means of delivery begins with early detection of troubling programs and continuing attention to subnational groups or states of proliferation concern. Once detection has occurred, this line of defense requires intense oversight of commercial transactions as well as the indigenous development, testing, and production of dangerous weapons.

Proliferation is a global problem, requiring cooperation with other nations. Just as the United States cannot be a global policeman, so, too, we cannot be a global traffic cop. If we're going to succeed in combating proliferation, we'll need strong alliances. We need friends that will help isolate adversaries. We need means of suasion to convince states not to provide the building blocks of weapons of mass destruction to countries of proliferation concern. We need persuasive and firm diplomacy once detection occurs. Export control regimes don't work on automatic pilot. We need to work on the regional security issues that prompt some states to acquire weapons of mass destruction. Diplomacy isn't a dirty word in the fight against proliferation. It makes little sense to trash the State Department and the Arms Control and Disarmament Agency while spending large sums for ballistic missile defenses. By weakening the front lines of defense, we make it that much harder for the last line of defense to succeed.

Global agreements against the acquisition or spread of weapons of mass destruction are essential to combat the proliferation problem. Global agreements set international norms against possession or use of weapons of mass destruction. Norms can be broken, of course, but norms also make international sanctions more feasible. Treaties require teeth in the form of routine and challenge inspections. It makes little sense to oppose ratification of the Chemical Weapons Convention or the negotiation of a verification protocol for the Biological Weapons Convention, while promoting defenses against missiles that may carry chemical or biological weapons.

No single one of these front lines of defense is sufficient; all must work in concert to make up for each one's deficiencies. If all of the front lines of defense are breached, then we must rely on properly trained and equipped conventional forces, operating alone when necessary, but preferably in concert with allies and friends. Our forces must be able to respond to attack with devastating force. Only when our forces are unable to deter or defeat the launch of missiles must we then turn to our third and last line of defense: the interception of these missiles or their warheads in flight.

While the threat of ballistic missile attack against our shores is judged to be quite low in the unanimous view of the U.S. intelligence community, the threat posed by short-range ballistic and cruise missiles is significant. The Department of Defense and the defense contractor community have yet to solve this pressing problem. This has to be our top priority in the missile defense field.

I believe that the Clinton administration's ballistic missile defense program has the right priorities. The first order of business must be to field a defense system that

actually works on the battlefield against short-to-medium-range ballistic missiles. Our country lacked an effective missile defense system against these threats during the Gulf war, and it's about time we had one. If it takes more money to field such systems that work, let's do it.

As for more ambitious and costly theater missile defenses, we can afford to go slower and to be more protective of tax payer wallets. As you can see from the BMDO charts prepared for Under Secretary of Defense Kaminski, the nature of this threat is extremely limited today, and the intelligence community projects the threat to remain extremely limited through the year 2015. It is not at all clear to me why we need separate Army THAAD and Navy Upper Tier programs to address this modest threat. If the Air Force, Navy and Marine Corps can collaborate on the next generation combat fighter, is it too much to ask for the Army and Navy to develop jointly a theater missile defense system? If the services cannot collaborate on a joint program, should we not ask the Pentagon to choose between these largely overlapping efforts?

I believe the Clinton administration's plans for a "3 plus 3" program for national missile defenses is on the mark. Pushing national missile defense faster is unwise on budgetary and programmatic grounds. As recently retired BMDO Director Gen. Malcolm O'Neill has testified, near-term deployment options are unlikely to evolve into a more effective defense. In other words, if we rush to deployment now, we will spend tax payer dollars on a system that will have to be replaced almost immediately. In light of the U.S. intelligence community's finding that the threat of an ICBM or SLBM attack on our shores is "remote" and "unlikely," why adopt a crash course to deploy national missile defenses? If the Committee feels that additional funds are warranted for defenses, I urge you to direct these funds to the front lines, rather than to the last fifteen minutes of the problem.

The pursuit of multi-site NMD, as some have suggested, would be an anticipatory breach of the Anti-Ballistic Missile Treaty. Many in the Congress view the ABM Treaty as a "Cold War relic" that deserves to be placed on the ash heap of history. If the ABM Treaty served no useful purpose, and if the United States needed multi-site defenses against clear and present dangers, I would agree. But look again at the chart depicting missile threats prepared by BMDO for Under Secretary of Defense Kaminski. Every one of these threatening missiles should be within the intercept capabilities of new U.S. missile defense programs now being well-funded by the Congress. Every one of these programs is permissible under the ABM Treaty.

Simply put, the prospective ballistic missile threat provides no compelling

reason to trash President Nixon's handiwork. There are other fundamental reasons why the ABM Treaty remains useful and necessary. The treaty constitutes a safety net against a free fall in U.S.-Russian relations. Remove the safety net, and many equations change for the worse, including our ability to field effective defenses. Our relations with Russia, like those with the Soviet Union, will always be uneven: as in the Cold War, we can co-operate in some areas while we strongly disagree on others. If we trash the ABM Treaty, co-operation will be minimal and tensions will be the norm.

The ABM Treaty is not sacrosanct. It should be a living document, like the U.S. Constitution, subject to ongoing interpretation and occasional amendment. We may decide at some point in the future to deploy a low-cost insurance policy against low probability ballistic missile threats, but we should do so without damaging US-Russian relations or impeding new threat reduction and destruction treaties. A low cost/low threat national missile defense insurance policy can be done without scrapping the ABM Treaty, but the Defend America Act clearly has something far more ambitious and costly in mind.

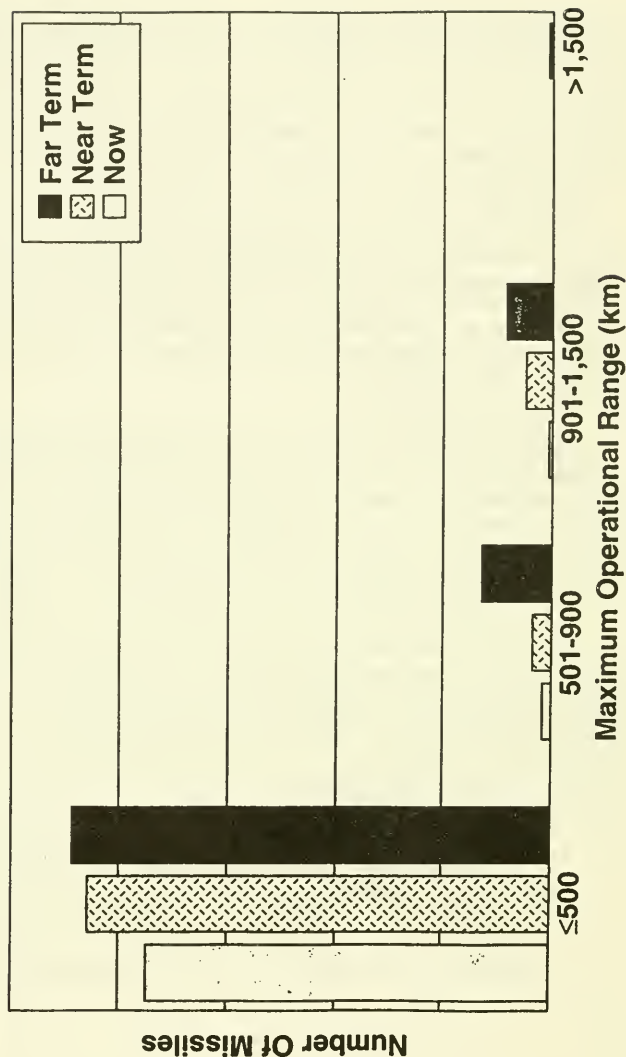
Paradoxically, the defense deployments projected in the Defend America Act would likely cost the tax payers tens of billions of dollars while making them less safe. By killing the ABM Treaty, supporters of the Defend America Act would also kill prospects for reductions far, far below START II levels--the kind of reductions needed for effective defenses. By killing the ABM Treaty unnecessarily, advocates of the Defend America Act would also kill prospects for the degree of U.S.-Russian cooperation necessary for a transition from offense to defense.

In conclusion, Mr. Chairman, I ask you and your colleagues to view the problems posed by weapons of mass destruction in their entirety. We will not succeed in combating the spread and use of these dangerous weapons unless we view the problem whole. We can't simply focus our energy and funding on the last fifteen minutes of the problem, when strategic ballistic missiles have been launched. Most important of all, we need to strengthen the front lines of defense against nuclear danger. If we address the problem whole, in a balanced and prudent way, we can protect tax payer wallets as well as our country.



# TBM FORCE PROJECTIONS

## Potentially Hostile Countries



## Prospects for the Worldwide Development of Ballistic Missile Threats, 1993

Central Intelligence Agency  
Declassified November 1993

### Scope Note

This paper presents a detailed examination of the prospects for future ballistic missile threats to the continental United States (CONUS) from a number of non-NATO countries. The countries examined either have ballistic missiles in place, ballistic missile development programs, space launch vehicle (SLV) programs (which inherently encompass most ICBM technologies), or intentions to pursue a ballistic missile or SLV program.

Capabilities were examined and no prospect was found for ICBM development in countries such as those of the former Warsaw Pact that have ballistic missiles but no development programs or even an appropriate R&D infrastructure. Therefore, these countries are not covered in this paper. Other countries not covered are those with a current capability to strike CONUS with ballistic missiles such as China and states of the former Soviet Union. Some countries neighboring the United States were not considered in this study because of their extremely short ranges from the United States.

For the countries evaluated in this paper, the health of each country's economy and the political climate within the country to determine the capability to support lengthy and costly ballistic missile development programs were considered. Each of the nations' technical capabilities to indigenously develop propulsion systems, guidance and control systems, reentry vehicles (RVs), and nuclear, chemical, or biological weapon warheads were taken into account.

Capabilities are projected based on a high-risk, accelerated timeline and minimum system testing development of a weapon system satisfying minimal requirements:

- ◆ A missile or modified SLV that can reach the United States at the closest point to the threat country;
- ◆ High-drag RVs or space return capsules;
- ◆ Warhead targeting accuracies on the order of 10 km or better; and
- ◆ A warhead consisting of a nuclear, biological, chemical, or conventional weapon.

No evidence exists that any of the countries examined in this study are developing missiles--especially ICBMs -- for the purpose of attacking CONUS.

## Prospects for the Worldwide Development of Ballistic Missile Threats to the Continental United States

Only China and the CIS strategic forces in several states of the former Soviet Union currently have the capability to strike the continental United States (CONUS) with land-based ballistic missiles. Analysis of available information shows the probability is low that any other country will acquire this capability during the next 15 years.

A number of non-NATO countries were identified as having either the motivation or the development capability to produce ICBMs. Out of these, only four -- Iran, Iraq, North Korea, and Libya -- have the political support or motivation to undertake an ICBM program to strike CONUS and, with the exception of Libya, also have the technical capability to indigenously develop an ICBM within 15 years. However, for different reasons -- including political and economic -- the probability is low that any of these four will complete development in that time.

No prospect for ICBM development was found in countries such as former Warsaw Pact countries that have ballistic missiles but no development program capability or even an appropriate R&D infrastructure.

None of the countries considered has the need to develop ICBM-range missiles (greater than 5,500 km) to satisfy regional security. In all cases, these countries can meet and react to primary threats from neighboring countries with medium- and short-range ballistic missiles.

### Countries Most Likely To Develop ICBMs

**Iraq and Iran.** It is believed that only the current intrusive UN inspections and economic sanctions prevent Iraq from pursuing ICBM development. Development in Iran is unlikely to be initiated within the next five years because the Iranian economy is already straining to support other higher priority weapons modernization programs necessary for regional security. Iraq and Iran are assessed to have the technical capability to indigenously produce an ICBM capable of carrying a chemical or biological weapon -- in 10 to 15 years from the time the decision is made to begin development.

**North Korea.** At a minimum, North Korea would require nearly 10 years to develop an ICBM capable of delivering a chemical or biological weapon warhead and 10 to 15 years to develop an ICBM to carry a nuclear warhead. However, the probability of North Korean ICBM development is currently low because of competing demands for dwindling resources among existing high priority military programs.

**Libya.** The leadership of Libya has made public statements explicitly stating a desire for weapons of mass destruction that could be delivered by ballistic missile to CONUS. The Libyan leadership's actual commitment to such an expensive and technically and politically risky development program is questionable. Because of its limited technical capabilities, however, Libya probably could not develop a system within 15 years.

These four countries are likely to attempt to avoid costly and lengthy development by trying to purchase everything from, complete missile systems to essential technologies from countries with existing ICBMs. It is likely that Libya, Iran, and Iraq would significantly shorten their indigenous development timelines through the acquisition of foreign equipment and help.

## Countries With Disincentives

Several of these technically capable countries have significant disincentives for pursuing development of an ICBM. These countries either have, or are trying to develop, strong economic and political ties with the West -- particularly the United States -- and, in some way directly depend on the United States for aid or support. On the basis of an analysis of leadership priorities, it is highly unlikely that these countries would judge that possible benefits from an ICBM program would outweigh the loss of their standing in the international community, potential punitive actions by the West, and serious economic consequences.

## Countries With Greatest Indigenous Technical Potential

The countries with the greatest technical potential for indigenous ICBM development have close relations with the United States, improving relations with the United States, or no identified motivation for ICBM development. A few countries have the technical ability to develop from their space launch vehicle (SLV) programs an ICBM to strike CONUS in five years or less. Technically advanced countries could develop an ICBM to threaten CONUS within 10 years.

## Limited Number of Missiles and Minimal Performance

Because of modest technology infrastructures and weak economies, most countries now without ICBMs -- if they choose to pursue ICBMs -- probably would be able to produce only a small number of missiles. Because of the limited capabilities and likely motivations for attacking CONUS with ICBMs -- such as international coercion, deterring US attacks, and regional influence building -- it is likely that any country making the decision would pursue a high-risk development program with no (or limited) testing in order to shorten schedules and reduce the visibility of the program. In addition, the country probably would adopt minimal requirements for the weapon system; that is, boosters capable of reaching only the nearest large US city, guidance and control systems that would give reasonable probabilities of placing the weapon within city limits, and relatively large, high-drag (and therefore, relatively low-technology) reentry vehicles (RVs).

## Motivations and Capabilities For Launching

The missiles, if developed, would probably be used as weapons of last resort or as deterrents against a threatened US attack. To be a credible deterrent or to provide a counterstrike capability, however, the country must have the ability to launch or hide the missile before it could be destroyed. Unless the missile or converted SLV is made ready for launch before an anticipated conflict, this additional survivability or quick-reaction requirement of the missile system increases the technological

## Emerging Missile Threats to North America During the Next 15 Years

Richard N. Cooper, Chairman National Intelligence Council

*Written Statement for Hearing of the House National Security Committee, 28 February 1996*

My remarks are based on a recent National Intelligence Estimate "Emerging Missile Threats to North America during the Next 15 Years." I would add that the focus of that estimate was on emerging threats from countries other than Russia and China, although it did touch on their strategic forces. I will outline the key judgments of that study. In addition, I will comment on the process that generates NIEs in general--and this one in particular--necessary in my view because some questions have been raised about the integrity of this process.

In this open forum I am obviously constrained in what I can say about our intelligence. I would be glad to meet with you in closed session, where I and my colleagues can provide a more detailed assessment.

Mr. Chairman, let me make some brief remarks on the missile threats from Russia and China before I turn to the bulk of the judgments of our estimate dealing with other countries.

### Russia

With the end of the Cold War, the United States faces a clearly diminished threat of nuclear attack by the missile forces of the former Soviet Union. Nevertheless, Russia continues to maintain an operational strategic nuclear force capable of delivering thousands of nuclear warheads against the United States. START I has resulted in a numerically smaller force, but Russia continues strategic force modernization programs, albeit within the constraints of a greatly weakened economy.

### China

The Chinese force of nuclear tipped ICBMs is small by US and Russian standards and will remain so. Many of China's long-range systems are probably aimed at the United States. China plans to update this force with new missiles and, unlike the Russians, to increase the number of missiles deployed. Possible future improvements are to include a mobile ICBM.

### Unauthorized Launch

In our recent NIE, the Intelligence Community reaffirmed earlier assessments that the current threat to North America from unauthorized or accidental launch of Russian or Chinese strategic missiles remains remote and has not changed significantly from that of the past decade.

## Other Nations

Nearly a dozen countries other than Russia and China have ballistic missile development programs. In the view of the Intelligence Community, these programs are to serve regional goals. Making the change from a short or medium range missile--that may pose a threat to US troops located abroad--to a long range ICBM capable of threatening our citizens at home, is a major technological leap.

The key judgments of the estimate I noted above are as follows:

- ◆ First, the Intelligence Community judges that in the next 15 years no country other than the major declared nuclear powers will develop a ballistic missile that could threaten the contiguous 48 states or Canada.
- ◆ Second, we believe North Korea is developing a missile, which we call the Taepo Dong 2, that could have a range sufficient to reach Alaska. The missile may also be capable of reaching some US territories in the Pacific and the far western portion of the 2000 km-long Hawaiian Island chain.

North Korea is unlikely, in the next 15 years, to obtain the technological capability to develop and deploy a longer range ICBM capable of reaching the contiguous 48 states.

--North Korea would have to develop a new propulsion system, it would have to develop or acquire improved guidance and control systems, and it would have to conduct a flight test program. Meeting these challenges will take time, given the technical and manufacturing infrastructure of North Korea, and the political and economic situation in the country.

--We have no evidence that P'yongyang has begun or intends to begin such a program.

- ◆ Third, no other potentially hostile country has the technical capability to develop an ICBM in the next 15 years.
- ◆ Fourth, any country with an indigenously developed space launch vehicle--for example, France, Japan, Israel or India--could develop an ICBM within five years if so motivated.

We are likely to detect any indigenous program to develop a long-range ballistic missile many years before deployment.

--A flight test is a sure, detectable sign of a ballistic missile program. Normally the first flight test would provide at least five years warning before deployment.

--Moreover, we would almost certainly obtain other earlier indicators of an ICBM program.

- ◆ Fifth, foreign assistance can affect the pace of a missile program. Since specific technological assistance is difficult to predict, the potential for foreign assistance introduces some uncertainty into our predictions of timeliness. In making our assessments, we have allowed for acquisition of some foreign technology by the countries of interest.

--The Missile Technology Control Regime (MTCR) has significantly limited international transfers of missiles, components, and related technology, and we project it will continue to do so.

--That said, leakage of components and critical technologies into developing countries has occurred, and will likely continue. A good case in point -subsequent to the publication of the NIE -is the recent interception of Russian missile guidance components en route to Iraq.

- ◆ Sixth, we expect no country that currently has ICBMs will sell them. Each of these countries has agreed to adhere to the MTCR, and transfer of an ICBM would show blatant disregard for the MTCR Regime. Also, exporting countries probably would be concerned that the missiles might be turned against them.

## Cruise Missiles

- ◆ Seventh, we examined worldwide development programs for cruise missiles because of the possibility of their being launched from forward-based ships. By 2005, several countries, including some potentially hostile to the United States, probably will acquire land-attack cruise missiles to support regional goals. We believe that an attack by cruise missiles launched from ships off the coast would be technically feasible, but unlikely.

## NIE Process

I have discussed what the NIE said. Let me spend a few minutes outlining how the NIE process works. A national intelligence estimate is the Intelligence Community's most authoritative projection of future developments in a particular subject area. It is prepared by the National Intelligence Council, which I head, with the participation of all agencies of the Intelligence Community, and it contains the assessments and judgments of all these agencies. Each NIE is discussed and approved at a meeting of the most senior members of the Intelligence Community.

The process for producing NIEs is directed particularly at ensuring presentation of all viewpoints. We do not impose consensus; in fact we encourage the many agencies that participate in NIEs to state their views and we display major differences of view in the main text. Lesser reservations are expressed in footnotes.

The estimate on which I based my testimony today is no exception. It is the most authoritative current statement on the subject by the Intelligence Community. Moreover, the key judgments I outlined were free of contention.

Furthermore, the judgments in the estimates are largely consistent with previous Intelligence Community assessments and with those of individual agencies. The only areas of change are:

- ◆ First, the timelines for development of the Taepo Dong missiles. Most agencies believe the Taepo Dong 2 program will move slower than we projected earlier, and there are some concrete reasons for this change.

- ◆ Second, for two countries, our estimate of the time required for ICBM development has been extended somewhat. I would be happy to provide the members of the Committee the details of the countries and timelines in closed session.

To emphasize how little our assessments have changed, I would like to read from an unclassified summary of a 1993 CIA report that is similar in content to our recent NIE:

"Analysis of all available information shows the probability is low that any other country [than China or the former Soviet Union] will acquire this capability [for an ICBM attack on the United States] during the next 15 years."

Let me conclude with a final comment on the time frame of the estimate. During the formative stages of our recent NIE, the time frame was a topic for discussion. A compromise was reached at 15 years -- 20 years being too speculative, and five or ten years not being of maximal value to the acquisition community.

Uncertainty of course grows as we project more distantly into the future. As we have seen in recent years, world politics can change quite rapidly. But because ICBM programs move slowly, and because the technological base, motivation, and economic resources of potentially hostile countries are all limited, we have concluded in the NIE that these countries are highly unlikely to deploy ICBMs within 15 years.

Our problem would have been harder if we had attempted to predict what will be in development or on the drawing board in 15 years, or if we had evidence today of either an ICBM program or strong technological infrastructure.

The fact that we project out 15 years does not mean that we can safely dismiss this subject until well into the next century. Our analytical work will continue, we expect to monitor developments, to produce additional studies, and to bring to the attention of the President and the members of Congress intelligence information on this subject of critical importance to our national security.

## Michael Krepon

Michael Krepon is President of the Henry L. Stimson Center, a Washington-based think tank specializing in arms control and international security problems. The Stimson Center's motto is 'Pragmatic Steps Toward Ideal Objectives.' Krepon's substantive areas of interest are nuclear arms control, disarmament and missile defenses; chemical weapons proliferation; South Asia; and the promotion of confidence-building measures in regions of tension. During the Carter Administration, Krepon worked for three years in the U.S. Arms Control and Disarmament Agency, directing defense policy and program reviews. Prior to that, he worked for four years on Capitol Hill as a Legislative Assistant for two Democratic Members of Congress from Washington State, Floyd V. Hicks on the Armed Services Committee, and Norman D. Dicks on the Defense Appropriations Subcommittee. Before co-founding the Stimson Center in 1989, Krepon worked for six years as a Senior Associate at the Carnegie Endowment for International Peace, focusing on verification and arms control issues.

Krepon is the author or editor of seven books: *Strategic Svalenmate, Nuclear Weapons and Arms Control in American Politics* (1984); *Arms Control in the Reagan Administration* (1989); *Verification and Compliance, A Problem-Solving Approach* (1988); *Commercial Observation Satellites and International Security* (1990); *The Politics of Arms Control Treaty Ratification* (1991); *Open Skies, Arms Control and Cooperative Security* (1992); and *Crisis Prevention, Confidence Building, and Reconciliation in South Asia* (1995).

Krepon has written over 300 articles on arms control and international security issues for such publications as *Foreign Affairs*, *Foreign Policy*, *International Security*, *Survival*, *New York Times*, *Washington Post*, *Los Angeles Times*, *International Herald Tribune*, *Defense News* and many other publications. He is a contributing editor to the *Bulletin of the Atomic Scientists*.

Krepon was born and raised in Massachusetts. He graduated with a B.A. in history from Franklin & Marshall College with many honors, and he received his M.A. from the School of Advanced International Studies, The Johns Hopkins University.

(Corrected 7/17)

**GLOBAL PROLIFERATION THREATS, CHINA, AND MFN**

by Mr. Sven F. Kraemer

Former Director of Arms Control

National Security Council Staff 1981-1987

**Statement Before****The Committee on International Relations****United States House of Representatives****June 19, 1996**

Mr. Chairman, distinguished members of the International Relations Committee of the House of Representatives, the proliferation of weapons of mass destruction is a mounting strategic threat to the United States.

The chief sources of that threat are not only the handful of infamous rogue regimes. The threat also comes from officials in Russia and China who are their chief suppliers and who are selling dangerous weapons and technologies to others hostile to America.

Most tragically and unnecessarily, the global proliferation threat is compounded by the illusions, cover-ups and weaknesses of Clinton administration defense and foreign policies which are heading America and her key allies into the bull's eye of disaster.

I hope that today's hearing can help make a difference in preventing future proliferation Pearl Harbors. I hope your Congressional colleagues will support policies commensurate with the threats. It is necessary to describe threats realistically, to use the instruments of American leverage, to stem the flows of advanced dual-purpose technologies that are the wild card of proliferation, to give teeth to sanctions against violators, and to have military means and deployed defenses available in case sanctions and arms agreements fail. Otherwise you have no chance to "provide for the common defense" or to assure "the blessings of liberty."

I understand that today's hearing is focused principally on a senior representative of the Clinton administration. As only a few minutes of testimony will be available for critics of the administration's policies, I have prepared a more extended statement for our review. I hope your Committee will hold detailed hearings on these issues. I urge the Congress to establish a "Team B" group of experts to conduct an independent analysis and to report its findings and recommendations.

I would welcome an opportunity to testify in the future and to participate in new assessment efforts. I worked on such issues in the U.S. government for twenty-five years, beginning with the Kennedy administration and including four presidents and ten National Security Advisors in the White House. I recently completed comprehensive analyses of the threats and alternative responses. My prepared statement covers two interrelated subjects: Part I - Proliferation Threats (pp. 1-12) and Part II - China, MFN and Security (pp. 12-24).

## The Globe at Risk

The Clinton administration is grossly failing to deal with threatening global realities in its defense and arms control policies. The administration is in denial, colors its official threat estimates and rejects both vigorous enforcement and advanced active defense programs in countering proliferation threats. The administration is wedded to cornerstone myths about a benign new world order, about its ability to deal with dictators as if they were democrats, about inevitably benign strategic partnerships with Russia and China, and about the efficacy of multilateral agreements and international "norms" although these paper regimes lack effective verification and effective sanctions and tend to disarm America rather than rogues.

Instead of working at home and abroad to block high-tech flows to rogue states and those who supply them, the flow of enabling technologies for advanced weapons continues virtually unchecked as the Clinton administration too often puts short-term commercial gains over security and practices appeasement over enforcement. At the same time, U.S. military forces and production, as well as research and development levels, have been drastically cut even as much of the world is arming.

The strategic reality is that notwithstanding unprecedented hopes and opportunities for a peaceful post-Cold War era, the world remains very dangerous. An unstable and undemocratic Russia and China and a number of rogue states proliferate weapons and violate agreements and are generally rewarded rather than sanctioned by the United States.

Missile deterrence has broken down in at least seven recent conflicts in the Middle East, South Asia, and East Asia and missiles can now readily reach U.S. forces and allies in numerous hotspots overseas. Sea-borne threats can devastate America's coastal cities with any of the thousands of shorter- and mid-range missiles which are available throughout the world today. Militant ideologies and international criminality are increasing. The proliferation of new information technologies and new information warfare threats can rapidly increase others' long-range power, potentially devastating key nodes of America's commercial and defense infrastructures. America faces new forms of attack by rogues undeterred either by arms control agreements or by classic notions of military deterrence.

In a MAD Maginot Line stance that will inevitably prove costly in American lives and treasure, the administration remains wedded to the doctrine of Mutual Assured Doctrine (MAD) and to the Anti-Ballistic Missile (ABM) Treaty incorporating that doctrine while it condones arms control cheating and major arms buildups in Russia and China. It supports the broken ABM treaty even as it vigorously opposes the accelerated deployment of the robust national anti-missile defenses required to "provide for the common defense" of the American people, their key allies and their vital interests. One result, as stated starkly by Secretary of Defense William Perry in testimony to the House National Security Committee in March 1996: "We have no capability to shoot down any ballistic missiles fired at the United States." Absent such an insurance safeguard, America doesn't have any counter-proliferation policy either.

## I - PROLIFERATION THREAT ASSESSMENTS -- TRUE AND FALSE

There has been a major flap recently about the Clinton administration's cockeyed national intelligence estimates (NIEs) on proliferation threats and about President Clinton's use of those estimates in vetoing national missile defense deployment programs. The President and his team have downplayed proliferation dangers from China, Russia and various rogue states and have invariably trumpeted "successes."

But on two rare occasions, President Clinton did appear aware of the real-world dangers his administration's illusory proliferation and defense policies all too often deny. On November 9, 1995, following the wording of a similar directive issued a year earlier (November 14, 1994), he issued an Executive Order in which he declared:

"I, William J. Clinton, President of the United States of America, find that the *proliferation* of nuclear, biological and chemical weapons ("weapons of mass destruction") and of the means of delivering such weapons, *continues to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States*, and hereby, *declare a national emergency to deal with that threat.*" (Emphasis added.)

If taken literally, and seriously, the 1995 and 1994 Executive Orders acknowledge grave *current strategic threats to the United States* from the proliferation of weapons of mass destruction and the means of delivering them. These threats should be matched by requisite policies and programs to fulfill the Constitutional imperative "to provide for the common defense." On the contrary, however, the administration's proliferation and arms control policies have increasingly been policies of illusion, denial, cover-up, and high-risk gambles.

Considerable insight into the realism or falsity of current Clinton administration proliferation estimates -- and current lack of credibility -- can be gained from comparing them to other official estimates.

### **Bush Administration**

Before Bill Clinton took office, Bush administration officials hopeful about a benign new world order expected to emerge from the collapse of the Iron Curtain and the Soviet Union, nevertheless became increasingly concerned about the global proliferation threat. They understood the threat not only with regard to Iraq, against which they prosecuted the Gulf War and in which they found missile and weapons capabilities far more advanced than previously declared by international arms inspectors or anticipated by U.S. intelligence. They also saw the threat as deriving from other rogues, including potentially some in the dismembered Soviet Union, with its instabilities and its uncertain weapons controls.

The Bush administration's official proliferation estimate presented one year before Bill Clinton took office foresaw a major threat *within* the decade of the nineties. As presented by Secretary of Defense Dick Cheney in his 1992 annual report to the President and the Congress:

*"By the end of this decade as many as nine developing countries could have nuclear weapons, up to thirty could have chemical weapons, ten could possess a biological weapons capability and up to twenty or more could acquire missiles through overt or covert means."* (Emphasis added.)

In response to this threat and to the "loose nukes" problems of unauthorized or accidental launches in the states of the former Soviet Union, the Bush administration proposed initiatives which included development of new post-Cold War technology controls, new counter-proliferation efforts (both organizational and programmatic) and deployment, by 1996, of an anti-missile Global Protection System Against Limited Attack (GPALS).

#### Russia - 1991-1992

During this same period, the clear and present proliferation threat also came to be recognized in Russia and provided a basis for moving ahead on the anti-missile defenses now opposed by Clinton officials and Yeltsin's hardliners.

An example of expressed Russian concern occurred during the last days of the Soviet Union, at an October 1991 conference of U.S. and Soviet experts. There, Lt. General Viktor Samaylov, a senior representative of the office of Russian State Counselor on Defense, declared:

*"We realistically appraise that by the year 2000, about 15-20 or more governments and states will have their own ballistic rockets and launchers. Half of these governments will have missiles with more than a 5,000, or up to a 5,000-mile range. I think this is a very serious source of threats...in the future. Therefore, an integration of joint efforts towards an ABM agreement is both full of promise and full of interests for us."* (Emphasis added.)

In another example during the initial days of the new Russia, Marshall Yevgeniy Shaposhnikov, Commander of the Joint Armed Forces of the Commonwealth of Independent States, declared in February 1992:

*"The thing is that we have nonetheless reached the point where roughly a dozen more countries could shortly join the nuclear club. We will have less and less reliable insurance against breaches in the rules of storage and protection and unsanctioned use of nuclear weapons in various regions. All this convinces us that it is time to think about a global defense system."* (Emphasis added.)

Similar themes were expressed by President Boris Yeltsin in his January 1992 address to the United Nations and at his summit meeting with President Bill Clinton in June 1992.

### Early Clinton Administration Warnings -- 1993

In the opening days of the Clinton administration, before the new Clinton orthodoxy imposed severe policy constraints on objective intelligence assessments, two senior U.S. Central Intelligence Agency officials provided testimony in close agreement with the earlier proliferation assessments of the Bush administration.

In February 1993, Clinton's new Director of the Central Intelligence Agency, R. James Woolsey, summarized the threat as follows in testimony to the U.S. Senate:

"More than 25 countries, many of them hostile to the United States and our allies, may have or may be developing nuclear, biological and chemical weapons -- so-called weapons of mass destruction -- and the means to deliver them. Aside from the five declared nuclear powers, numerous countries have, or are pursuing nuclear weapons capabilities. Iraq and Iran, for example, have the basic technology to eventually develop such weapons.

"More than two dozen countries have programs to research or develop chemical weapons, and a number have stockpiled such weapons, include Libya, Iran, and Iraq. The military competition in the always volatile Middle East has spurred others in the region to pursue chemical weapons. We have also noted a disturbing pattern of biological weapons development following closely on the heels of the development of chemical weapons.

"More than a dozen countries have operational ballistic missiles, and more have programs in place to develop them. North Korea has sold Syria and Iran extended range Scud C's, and has apparently agreed to sell missiles to Libya. Russia and Ukraine are showing a growing willingness to sell missile technology prohibited by the Missile Technology Control Regime (MTCR). Egypt and Israel are developing and producing missiles, and several Persian Gulf states have purchased whole systems as well as production technology from China and North Korea. Some have equipped these missiles with weapons of mass destruction, and others are striving to do so."

In his testimony, Woolsey also touched on massive control problems in Russia. There, he said: "many agencies involved in controlling exports are also responsible for promoting military exports, creating obvious concerns...[and] the lure of large, illegal profits means that the risk of such transfers will grow."

No doubt understanding that his realistic assessments would prove unwelcome in a Clinton administration bent on denying global threats and on cutting deep into the marrow of U.S. defense capabilities, Woolsey testified: "I have painted a rather bleak picture, but accuracy and candor require bleakness. And unless we reverse the current trends, the future could come to be even more dangerous than these descriptions of current reality."

Within days of Woolsey's testimony, Lawrence Gershwin, the Central Intelligence Agency's senior analyst for strategic forces, provided additional perspective which further confirmed the extreme seriousness of the proliferation threats facing the United States and the Clinton administration. In a prepared statement first presented at a March 1993 forum in Washington D.C. and presented in Congressional testimony and to allies in essentially the same form during the next several months, Gershwin provided sober estimates on strategic/ICBM threats from proliferation. First, he noted the *current intercontinental* threats from space-launch vehicles which could serve several countries as intercontinental ballistic missile (ICBM) platforms. Second, he predicted *indigenous* development of ICBMs in as few as *eight* years. Third, he foresaw substantial ICBM infrastructure capabilities *within* the next decade.

According to Gershwin's early 1993 testimony:

- o For space-launch vehicles: "Presently, India, Israel, and Japan have developed space-launch vehicles that, if converted to surface-to-surface missiles, are capable of reaching targets in the United States. Brazil has a space launch vehicle under development that is expected to be test launched within the next five years."
- o For indigenously developed Intercontinental Ballistic Missiles (ICBMs): "After the turn of the century...some nations that are hostile to the United States may be able to *indigenously* develop ballistic missiles that could threaten the United States. We really cannot give you a precise date -- it could be *eight, ten, or fifteen years from now* -- when these ICBMs could be deployed."
- o *For the next decade:* "Over the next ten years, we are likely to see several Third World nations establish the infrastructure and develop the technical knowledge required to undertake ICBM and space launch vehicle development." (Emphases added throughout.)

Like Woolsey, Gershwin pointed to Russia and China as proliferators and especially to Iraq, Iran, Syria, Libya and North Korea as hostile nations gaining very dangerous capabilities. Russia, for example, had recently "advertised a derivative of the old SS-23 ballistic missile for sale as a civilian rocket." With North Korea, there was "the real possibility that it has already manufactured enough fissile material for at least one nuclear weapon." Like Woolsey in his testimony, Gershwin *noted that indigenous developments could be speeded up through shortcuts such as acquisition from other countries.*

Above all, Gershwin pointed to the historically new dimension of global proliferation problems by comparing the regional proliferation threat, existing even *as he spoke, i.e., as Bill Clinton was entering office*, to the strategic threat facing the United States in 1960 -- the period of the height of the Cold War, around the time of the Cuban Missile crisis. Gershwin noted that:

"The potential capabilities of some of these countries are comparable to, and in some cases, *more lethal than the Soviet threat in 1960.* With leaders like

Quaddhafi and Saddam Husayn, and in many cases weak, unstable, or illegitimate governments, our classic notions of deterrence hold much less promise of assuring US and Western security." (Emphasis added.)

#### Clinton Administration to 1994 to Mid-1995

During 1994 and early 1995, with Woolsey still at the CIA, statements by key Clinton administration officials continued to confirm that the proliferation situation was very serious and already involved missiles numbering in the thousands.

In 1994, when John Deutch was still the Deputy Secretary of Defense, he reported that a ballistic missile threat to U.S. territory could emerge *by the end of the decade*. In March 1995, the theater threat was described in near strategic global terms by Lt. General Malcolm O'Neill, the then Director of the Pentagon's Ballistic Missile Defense Office, as follows:

"The [Theater Missile Defense] TMD threat I think is here. I think we can all agree that beyond *the thousand or so* that are pointed at Israel, there are probably *another three or four thousand* that are pointed at other people in the world, being held for use by potential adversaries, some of whom are not so deterrable as was shown when Saddam Hussein used the SCUDS against Saudi Arabia and Israel."

In March 1995, at the Central Intelligence Agency, a new Proliferation Center established by Director Woolsey released a detailed unclassified study of the proliferation threat. This report found a growing threat in its survey of ballistic missiles, cruise missiles, and chemical, biological, nuclear and advanced conventional weapons. In addition to reporting 31 incidents involving nuclear materials (for the period June to December 1994), the CIA report found that:

"At least 20 countries--nearly half of them in the Middle East and South Asia--already have or may be developing weapons of mass destruction (WMD) and ballistic missile delivery systems. Five countries--North Korea, Iran, Iraq, Libya and Syria...pose the greatest threat because of the aggressive nature of their WMD programs. All five already have or are developing ballistic missiles that could threaten US interests.... Worsening economic conditions and the lure of lucrative foreign sales will encourage other states or firms to engage in WMD-related technology transfers...(and) an even more troubling issue--the potential for smuggling nuclear weapons or nuclear-related material from the former Soviet Union--has contributed to the growing proliferation problem."

Regrettably, the earlier realism, professionalism and candor disappeared with the resignation of Woolsey from the CIA. All three of the realistic strategic factors cited by Gershwin, as well as his historical understanding that current regional threats could also be considered strategically dangerous, as during the Cold War, were subsequently considered taboo. No doubt realism would have called for tougher anti-proliferation policies, for arms control agreements with mandatory inspections and mandatory sanctions and for accelerated deployment

of theater and strategic anti-missile defenses. As Clinton political correctness came to dominate, all such warnings came to be denied while U.S. arms control and anti-missile policies became even weaker.

#### **The Tainted National Intelligence Estimate of December 1995**

Throughout 1995, the Clinton administration stalled on new proliferation assessments as it vigorously opposed Congressional efforts to provide the U.S. defense insurance policy of effective national anti-missile systems, particularly efforts in the Contract with America bolstered by increasing evidence of public concern about the absence of such defenses in a volatile world.

At the same time, Representative Curt Weldon and others in the Congress pressured the administration for an updated National Intelligence Estimate (NIE) on the proliferation threat, only to encounter a stall and to be told during the year that the estimate it would be available in May, in June, in July, in September, etc.. Members of Congress were astonished to hear about a new NIE and a new bottom line when the NIE was cited in a December 1, 1995 letter to Senators opposed to efforts to assure deployment of effective anti-missile defenses as rapidly as possible.

As reported by Representative Floyd Spence, the Chairman of the House National Security Committee, at a February 1996 hearing of the Committee:

"...a recently completed National Intelligence Estimate (NIE), prepared by the intelligence community, concludes that the threat to the United States posed by long-range ballistic missiles is lower than previously believed.

"A letter by the CIA's Director of Congressional Affairs to Senators Bumpers and Levin, written on behalf of the Director of Central Intelligence (DCI), John Deutch, asserts that the previous intelligence community estimate of the missile threat to the United States as reflected in the language of H.R. 1530 [the FY 1996 Defense Act passed by the House and the Senate], 'overstates what we currently believe to be the future threat.' The letter states that it is 'extremely unlikely' any nation with intercontinental ballistic missiles (ICBMs) would be willing to sell them; declares that the U.S. early warning capability is 'sufficient to provide notice many years in advance of indigenous development'; and judges the prospect of an operational North Korean ICBM within the next five years to be 'very low.'"

It was soon made clear to members of Congress, and reported in official unclassified testimony by Richard Cooper, the Chairman of the National Intelligence Council, that the new NIE was at odds with prior official estimates:

"First, the Intelligence Community judges that in the next 15 years no country other than the major declared nuclear powers will [indigenously] develop a

ballistic missile that could threaten the contiguous 48 states or Canada. Second....North Korea is unlikely, in the next 15 years, to obtain the technological capability to develop and deploy a longer-range ICBM capable of reaching the contiguous 48 states."

President Clinton cited this unreal, doctored estimate as he vetoed the Defense Bill passed by the Congress.

### **The NIE's Dangerous Assumptions**

The dangerous and ridiculous lengths to which the Clinton administration has gone in its efforts to disguise the proliferation threat -- apparently so as to paint its counter-proliferation and arms control efforts as successes and to block U.S. strategic defense programs -- are clear from the NIE's unclassified version as subsequently briefed to the Congress by senior CIA officials. Testimony indicates that those who tasked the NIE simply excluded the most likely major threats from the analysis and that the analysis was further compromised by far-fetched assumptions about a benign global environment belied by the well-known realities previously set forth by the U.S. government.

The Clinton administration's NIE, and the foundation of its counter-proliferation and related arms control and missile defense policies are fatally flawed by:

- 1) The exclusion of all "non-indigenous" threats, i.e. threats accelerated by the purchase or theft of weapons and delivery systems.
- 2) The exclusion of threats to the "non-contiguous" states of the United States of America, i.e. Hawaii and Alaska, except from North Korea.
- 3) The exclusion of threats from "major declared nuclear powers," Russia and China, despite their "loose nukes" and proliferation problems.
- 4) The false assumption that "No other potentially hostile country [other than North Korea] has the technical capability to develop an ICBM in the next 15 years."
- 5) The false assumption that while "any country with an indigenously developed space-launched vehicle [Iraq is one]...could develop an ICBM within five years....a flight test is a sure detectable sign of a ballistic missile program....[and] we would almost certainly obtain earlier indicators of an ICBM program."
- 6) The admitted reality that "foreign assistance can affect the pace of a missile program...[while claiming that] the Missile Technology Regime (MTCR) has significantly limited international transfers, [although] leakage...will likely continue."

- 7) The false assumption that "we expect no country that currently has ICBMs will sell them." This assumption is belied, *inter alia*, by Russian and Ukrainian sales proposals, by the administration's September 1995 agreement with Russia concerning the transfer of START ICBM "space-launchers" abroad, and by Russian, Ukrainian and Chinese machinations involving the transfer of SS-18 ICBM stages to China.
- 8) The false assumption that "we believe that an attack by cruise missiles launched from ships off the [US] coast would be technically feasible, but unlikely."

Since the NIE was issued, former CIA Director Woolsey and Lt. General Malcolm O'Neill, the former Director of the Pentagon's Ballistic Missile Defense Organization, have been among those sharply criticizing the NIE and calling for a new estimate.

#### **Arms Control, Deterrence and War**

Arms control treaties and deterrence assumptions based on the effectiveness of treaties which lack mandatory inspections and sanctions and which are backed by the threat of military power and the deployment of active defenses have proved illusory. MAD Cold War theories of deterrence based on Mutual Assured Destruction have proved dangerously obsolete.

The administration is currently touting proposals for "bans" on chemical and biological weapons and nuclear testing and proposed Strategic Arms Reductions (which require no actual physical eliminations of warheads, and which eliminate only very few missiles). But these cannot be effectively verified or enforced and are instead likely to lead to precipitous U.S. disarmament which is likely to be largely unilateral and highly destabilizing. While the Clinton administration is falling over backward to let Russia's generals make the obsolete ABM Treaty even more restrictive for U.S. defenses against proliferation, the administration is modifying the Conventional Forces in Europe Agreement against the interest of our allies in Turkey and Norway and against our friends in the Baltic nations.

Today, Iraq, Iran, North Korea, China, Russia and other nations take little risk in their violations of major arms control agreements. Programs to produce weapons of mass destruction have been discovered in rogue countries like Iraq, North Korea and Iran notwithstanding the fact that their leaders have signed treaties prohibiting such activity. Seven missile wars have been fought in the Middle East and South Asia, e.g. between Iraq against preponderant U.S. forces, in the war between Iraq and Iran, in Russia's war against Afghanistan and in the Gulf War.

While receiving advanced technologies, trade rewards and billions of U.S. dollars, Russia and China, in particular, continue to abet proliferation toward such states. The rest of the Western world, including the United States has lax technology transfer and trade policies which further exacerbate the problem as technologies and expertise spread rapidly to forces professing deadly hostility to the United States.

## Gulf War Lessons

If, as is surely the case, the Clinton administration is wrong in its optimistic arms control and defense assumptions, the price in American lives and treasure will be incalculable.

More Americans were killed (28) and wounded (78) by a single Iraqi missile in the Gulf War than by any other action. One missile nearly hit a troopship in port. Israeli cities were terrorized at considerable cost in lives and at a reported cost of a 25% slowdown in Israel's economy. The United States was lucky to face primitive SCUDs with its limited capability Patriot defenses; but as it was, the United States Air Force could not find a single SCUD mobile launcher in 5,000 sorties and the only defense we had were the relatively primitive Patriot missiles.

Iraq's SCUDs were not deployed with the chemical and biological warheads which Iraq had developed or with the nuclear warheads which it might have had available six months later. With help from Soviet military advisors, Iraq became masterful in the techniques of "maskirovka", deception and denial and continues such efforts. Had Iraq launched missiles with weapons of mass destruction, the Gulf War and thus the fate of Saudi Arabia and Israel and our strategic interest in both, would likely have ended in disaster.

As it was, the war cost \$65 billion, most paid by Saudi Arabia. If U.S. and coalition forces had been challenged by weapons of mass destruction, if Kuwait and Saudi Arabian oil had fallen into Iraqi hands, if the regional momentum against Israel had been fueled by Iraqi victory, or if proliferation of cyber- and information warfare technologies continues apace, the costs in lives and treasure would have been far higher and lasting.

## Immediate Sea-borne Threats to the United States

A final note on the coverup involved in the Clinton administration's attempts to reject threats to the "indigenous" United States concerns the **current** threat to the U.S. homeland from sea-borne missiles. Americans know that intercontinental missiles and their many thousands of warheads can reach every part of the United States from Russia and from China. But they Americans are not being told that most, or all of the United States, including Washington D.C. and numerous population centers along our coasts, can today be hit by **ship borne** missiles such as SCUDs fired, for example, from Iraqi, North Korean or Iranian ships off our shores.

Lack of land silos or of substantial prior testing is not a serious impediment. As noted by Dr. William Graham, a former presidential science advisor and former director of the president's General Advisory Committee on Arms Control and Disarmament:

"Ballistic missiles do not need to have a long range to threaten the United States. In the 1950's, the U.S. launched several ballistic missiles from the deck of a ship, and sent them to high altitudes where their nuclear payloads were detonated. Most of the population of the U.S. lives near the East and West coasts, and thus

is highly vulnerable to a ship-launched missile that could be covertly deployed in the merchant traffic several hundred miles at sea. The modifications to such a ship would not need to be obvious, and a few test missile launches could be performed in remote locations in attempts to avoid detection."

### **The Future?**

Wake up America! A mix of aggressive global trends and weak U.S. strategic policies may well bring missile Pearl Harbor catastrophes into America's future.

Above all, the fatally flawed multilateral anti-proliferation and arms control regimes in which the Clinton administration entrusts America's security and sovereignty cannot come close to guaranteeing either our security or global stability. They are high-risk lowest-common-defense-denominator efforts which cannot substitute for effective American diplomacy backed by effective American defense capabilities.

Without exception, as currently designed and operated by the international community, the paper arms control regimes favored by the Clinton administration can be exploited by rogues for cheating and appeasement. They lack the effective verification, effective sanctions, and capable military safeguards which could deter proliferation and provide for America's common defense we need against rogues wherever they may be, including Middle East, Russia and China.

## **II -- FOCUS ON CHINA, MFN, AND SECURITY**

A special proliferation emphasis is warranted on China. As you and other members of the House of Representatives review proliferation problems and vote on China MFN, I would like to emphasize that there is a strong strategic connection between these two issues. If you are serious about proliferation you should not reward China with MFN, given its poor record in proliferation, in trade, and in its aggressive behavior toward its neighbors. I testified on these issues to the U.S. Senate Committee on Foreign Relations two weeks ago, and would like to draw on some of that testimony today.

The behavior of China's hardliners is getting more dangerous. Tough standards, not MFN, are required at this time. American leadership, especially Congressional leadership, will be essential for reformers and reform in China in setting high standards for human rights, trade, and security issues such as countering proliferation and having effective arms control. More than ever, a new generation of reform-minded Chinese needs our witness and our help against an authoritarian and aggressive tide. The high human rights and security standards set by the Helsinki Accords and by Reagan administration defense and foreign policies gave just such critical legitimacy and support to the voices of freedom and responsibility behind the Soviet empire's Iron Curtain.

America made a decisive difference in winning the Cold War with the Soviet Union. We can make a key, perhaps decisive, difference as China rapidly heads for great power status.

Within the next decade or two China will be one of the world's two or three most powerful nations. It already has the world's third-ranking economy and is increasing its national assertiveness as it builds regional and strategic military might. What America does, or fails to do -- what we stand for as a nation -- will have considerable influence on whether or not China's national assertiveness will be aggressive and whether China can turn from its reactionary Communist ideology to the path of democracy and peace.

#### A -- TRADE ARGUMENTS AGAINST MFN

Your deliberations on proliferation issues and your vote on Most Favored Nation status for China are strategically interrelated. But even from a strictly trade point of view, I believe the United States should not conduct "business as usual" by extending MFN to China this year. We should instead elevate standards and step up pressure across the board in support of reform and responsibility. Even with this week's movement on closing (really closing?) a number of CD record factories (as if Chinese authorities wouldn't long ago have done this if the CD's involved political dissent), China remains in breach of numerous agreements and its trading behavior has not met proper international trade standards, much less standards deserving of a "most favored" characterization or the "free trade" or "normal trade rules" title with which some would rename MFN rather than face the realities.

What free trade? China has too often acted erratically and illegally, pirating our patents, restricting markets, and engaging in corrupt practices. It has done so even as it has built up a \$35 billion trade surplus against the United States, as it ships some 40% of its exports to our shores, as it has cost over \$ 2 billion in copyright losses and as it has already cost a net loss of some 200,000 U.S. jobs as estimated by AFL-CIO representatives. Why, then, MFN? And why did Clinton administration U.S. Patent Office officials indicate in April of this year that the entire U.S. patent base would be given to China, without restrictions and for free?

These facts indicate that China needs America's technology, investments and markets far more than we need China's and that we are giving away the leverage for assuring real changes in China and in the Chinese-U.S. relationship. MFN suspension may bring some short term losses in American dollars and jobs. But the costs will be far less than if -- through kowtowing steps such as the unconditional extension of MFN -- America acquiesces in China's trade abuses, cuts the ground out from under the reformers, and sets the United States up for far greater long-term losses as China's ill-gotten gains begin dramatically to undercut our competitive advantage in key economic sectors and begin to cost us far greater numbers of dollars and jobs. The U.S. flow of technology is already hurting us in China's proliferation, military and economic activities.

How can any decent American, businessman or not, go along with the immorality of failing to "say no" to China's severe abuses in human rights, business and military activities? Do they really not care that Chinese "People's Liberation Army" companies are established in the United States, including nine in California, by the same military institutions that run China's slave-labor prison camps, crush student reformers and build chemical and biological weapons.

## B – THE SECURITY DIMENSION – TEN REALITY CHECKS

An equal playing field for free trade can only be assured by political freedoms backed by sound security policies. MFN and trade must always be considered in the context of profound moral and strategic questions involving human rights and security, not just trade. There can be no secure trade, or peace, or progress if there is no democracy at home, if neighbors can be threatened abroad, if proliferation to rogue nations can be conducted as state policy, and if agreements cannot be trusted or enforced.

President Clinton said in April that China's greatest security threat to America was its pollution potential from cars -- not its proliferation activities, not its military programs, not its imperial reach. His administration acts under a dangerous post-Cold War illusion that strategic threats have disappeared, that democracies and dictators are not really all that different, that America is unassailable and invincible.

Administration officials appear to believe that we and our allies need to do little or nothing to provide for the common defense other than to have reasonably acceptable trade relations and to acquire ever new paper agreements promising good behavior in arms control even if there are no effective verification procedures, sanctions, or U.S. defense programs to back these up. In this setting, the administration has virtually ended restrictions on the flow of militarily useful advanced technologies to China, and through China's proliferation, to rogue nations.

It is time for reality checks, bottom-up reviews and in-depth hearings. It's time to take the blinders off about dangerous strategic realities about China compounded by high-risk Clinton administration policy gambles.

### 1. Communist China is Not Democratic and China's Military Leaders Are Not Under Democratic Control.

*The overall strategic reality about China is that neither China's political and military leaders nor their programs are under democratic control and that China's proliferation activities and its imperial drive to be a regional and world power in economic and military terms continues, unchecked by democratic limits and too often appeased by foreign powers including the United States.*

The basic economic and political reality is that notwithstanding economic progress especially in Beijing and the coastal cities of Shanghai and Guangzhou, a struggle continues between China's reformers and the old party cadre who resist reform and who seek to maintain a Communist society and tight national cohesion during the transition from Deng's "preeminent leadership."

In reality, the People's Republic of China is not a "republic" any more than were the People's Democratic Republics of Eastern Europe under Soviet rule. Taiwan and Hong Kong are

far more democratic and far more like real republics. The "people" the PRC leadership still most stands for are those of the families or "clans" of the senior Communist Party officials and the senior officer cadre of the People's Liberation Army. They dominate political, economic, cultural and military life. For reasons of ideology, power and privilege they are determined to avoid Mikhail Gorbachev's "perestroika" and "glasnost" reforms, which overthrew Gorbachev and the Communist dictatorship and ended the Soviet Union.

In this context, official Chinese claims that China is spending only \$5 billion a year on defense are patently untrue. A U.S. Department of Defense (DoD) study published in 1994 provides DoD estimates of over \$30 billion and U.S. Arms Control and Disarmament Agency estimates of about \$50 billion annually. Expenditures have risen since then and are supplemented by high-technology acquisitions through China's high priority trade and intelligence operations. In this context too, official Chinese claims that China is not proliferating technologies and/or weapons of mass destruction abroad are also untrue.

There is no ready way of knowing the correct Chinese defense figures or program details since there is no free Chinese Congress in Beijing with the democratic powers of the purse and of appointment, nor any free press, or free political questioning. Regrettably, the Clinton administration all too often simply accepts China's explanations, excuses and behavior and even augments China's emerging strategic threat through advanced technology transfers.

## 2. China, Proliferation and Broken Treaties

*A principal immediate problem is that China, along with Russia, has the world's worst record on the proliferation of components and technologies of weapons of mass destruction to rogue states and that the Clinton administration is failing to act to block such activities.*

I believe it is time to consider those who supply and support rogues as rogues themselves. General Brent Scowcroft, U.S. National Security Advisor in the Ford and Bush administrations, has warned: "The Chinese military seems to be willing to sell weapons to anyone who can pay the price...." including militant states hostile to the United States.

China has accumulated an abysmal record of broken anti-proliferation treaties and broken U.S. laws, a record which the Clinton administration has abetted through acquiescence. The treaties broken by China include the Treaty on Non-Proliferation of Nuclear Weapons (NPT), the Missile Technology Control Regime (MTCR) and the Chemical Weapons Convention. U.S. laws broken by Chinese proliferation activities, and generally not enforced by the Clinton administration, include the U.S. Nuclear Prevention Act, the U.S. Arms Export Control Act and the National Defense Authorization Act.

China's role in North Korea's nuclear and missile proliferation activities is a case in point. It is highly suspect since North Korea's nuclear reactors and missiles closely resemble China's. But China has denied knowledge or leverage in North Korea, has opposed tough sanctions against North Korea and has recently refused to participate in multilateral talks on future peaceful

developments on the Korean Peninsula. Meanwhile the Clinton administration rewarded North Korean violations of the Nuclear Non-Proliferation Treaty with new reactors, \$4 billion, and postponed inspections of suspect sites.

China has supplied nuclear reactors to Algeria and Iran, chemical weapons materials to Syria and Iran, and missiles to numerous countries including Iran, North Korea, Pakistan and Saudi Arabia. China's most recent illegal proliferation activities reported early in 1996, include sales to Pakistan involving M-11 missiles and 5,000 ring magnets used in gas centrifuges that enrich uranium for weapons and which may have achieved operational status.

In addition to special problems relating to Pakistan, it appears that China may have a larger strategic purpose in mind particularly with Iran, which its hard-line strategists may well view as a long-term surrogate against U.S. allies and interests in the Middle East, notably in targeting Saudi Arabia. Early in 1996 it was reported that China had delivered ballistic missile components, C-802 missiles, chemical weapons precursors, and nuclear weapons-related materials to Iran.

In March 1996 *The Washington Post* reported: "U.S. intelligence officials have concluded that companies in China are providing Iran with several virtually complete factories suited for making deadly poison gases, an act that may violate a U.S. law as well as China's pledge to abide by a global treaty banning such assistance, according to U.S. officials....For more than a year, Washington has been monitoring a steady flow of Chinese chemical-related equipment to Iran, where it is being installed in new factories ostensibly meant to produce industrial chemicals for commercial use. But U.S. officials say the factories have a covert military use and have already complained to Beijing about the assistance without avail. The influx of Chinese technology is helping to fuel what one U.S. official described as 'the most active chemical weapons program' in the Third World." It appears that Iran may be becoming a threatening Mid-Eastern strategic surrogate for China.

With only rare and brief exceptions, the Clinton administration has opposed application of the commercial and other sanctions established against proliferants under U.S. laws and international treaties. The Clinton administration role has been one of appeasement. Far from utilizing the legal instruments and sanctions at hand, the administration has during the past year reportedly failed to act on five such cases on which the Congress had urged the President to act. On top of everything else, he is failing to obey U.S. law.

As one example, the Clinton administration has opposed the demand of Senator Larry Pressler and others to implement the U.S. sanctions required by the 1993 U.S. Defense Authorization Act (*co-sponsored by then Senator Albert Gore*) against nations that transfer advanced weapons to Iran or Iraq. Senator Pressler had noted that China's cruise missile deal with Iran violates U.S. law and "is a vital national security matter and demands immediate attention."

### 3. China's Military Modernization -- Conventional and Strategic Strike Forces

*In addition to extending its strategic reach through proliferation activities, China is building up modern strike forces designed for regional and internal military roles. Its strategic missiles, already able to reach the United States, are being substantially augmented in their mobility and their offensive capability.*

The reality of a potential Chinese strategic threat is officially denied in the Clinton administration's public intelligence estimates about future missile threats and is generally ignored by officials and media focused militarily primarily on China's gunboat diplomacy in the South China Sea and on its military exercises and missile threats in and around Taiwan.

The serious reality is that China's announced military doctrine and programs call for highly mobile strike forces, with new generations of ships (including submarines, destroyers and possibly a carrier) and advanced naval and land-based fighter aircraft. These systems, some being acquired from abroad, are to be equipped with modern weapons and high-tech command and communications linkages. The strike forces appear to have both regional and internal security functions in asserting Beijing's far-reaching sovereignty claims.

China's vigorous nuclear force modernization program includes a wide range of new strategic and intermediate-range missiles based on land and sea, and appears to be benefitting from new flows of arms and technology from Russia. These systems include new truck-mobile nuclear missiles whose solid-fuel propulsion and enhanced accuracy adds to their high capability and low vulnerability. Numerous intermediate-range missiles, with strategic potential when launched with lower-weight warheads, are hidden in caves and tunnels and include the DF-4s. Two new ICBM systems are underway to augment the Dong Feng 5/5A (CSS-4) -- the DF-31 and the DF-41. The Julang I (CSS-N-3) missile fired from China's XIA-class nuclear submarines will be augmented by the intercontinental-range DF-31/JL-2.

The launches of advanced Chinese missiles in the vicinity of Taiwan in the summer of 1995 and in March 1996 and the sales of Chinese cruise missiles to Iran which began in the 1980's (and are of the type with which Iraq killed Americans on the USS Stark) and were reported upgraded in April 1996, reflect modern cruise missile capabilities with which China is showing its muscle.

These capabilities are reportedly greatly enhanced by the acquisition of Western technology including advanced computers and engines. Some of America's major companies are transferring very sophisticated technologies to China, apparently virtually unchecked by administration constraints. McDonnellDouglas even permitted Chinese visits to plants where the B-1 bomber and C-17 strategic transport plane were manufactured and sold advanced "axis" tools used to manufacture aircraft, cruise-missiles and nuclear warheads.

#### 4. China-Russia Strategic Collaboration, SS-18 ICBM Proliferation, and Other New Threats

*Collaboration and transfer of advanced weapons and technologies, possibly including SS-18 strategic Inter-continental Ballistic Missiles (ICBMs) to China, are increasing between Chinese and Russian military leaders including hardliners who may wish to work against what some perceive as common, democratic enemy, the United States.*

Chinese and Russian military leaders have recently described relations as the best in decades, i.e., since the Stalin-Mao alliance. In September 1993, the two countries agreed not to target or use force against each other, the former an agreement China rejected for the United States when proposed by the Clinton administration. Following several high-level exchange visits, Yeltsin's April 1996 visit to Beijing feted a close strategic partnership, with Yeltsin asserting that Russia had not found a single point of disagreement with China. Was there no disagreement on proliferation, nuclear testing, technology theft, human rights abuses, border disputes?

Russia has shown no apparent hesitation in providing advanced weapons and technologies, including nuclear technologies, to China's military. Hundreds, if not thousands, of Russian military specialists are in China and a February 1996 Congressional staff study reported recent Chinese purchases from Russia as including: 26 Su-27 fighters (with an additional 26 under negotiation, and by now under contract, along with a factory to build more), 24 Mi-17 helicopters, 10 IL-76 heavy transport planes, 100 S-300 surface-to-air missiles and 4 mobile launchers, advanced rocket engines and missile guidance technology, 100 Klimov/Sarkisov RD33 engines, uranium enrichment technology and nuclear reactors.

An extremely troublesome recent development has been the possible collaboration of senior Russian and Chinese authorities in seeking to transfer Russian SS-18 Inter-continental Ballistic Missiles (ICBMs), the most deadly strategic weapon of the Cold War, from a deployment site in Ukraine to China. All SS-18 missiles are required to be destroyed under the START II treaty, but in one of several damaging Clinton amendments to this treaty (and to START I), the Clinton administration in September 1995 permitted Russia and Ukraine to sell the use ("services") of stages of such missiles anywhere in the globe as START "space launchers," e.g. to Cuba, Iran, etc. Of course anything that can launch a "peaceful" object into space can also launch a warhead to inter-continental distances.

In January 1996 Ukraine expelled three Chinese nationals for trying to obtain SS-18s at a missile-production facility in Dnepropetrovsk, Ukraine, presumably with the cooperation of the Russian military personnel at the site who are there to oversee nuclear weapons security and the planned movement of the weapons to Russia. In May 1996, these efforts were boldly renewed and the Clinton administration, caught with its earlier space-launcher concessions, seemed paralysed in response.

## 5. China's Nuclear Weapons Tests

*China has recently conducted a series of nuclear weapons tests while the United States has not, and the Clinton administration is augmenting China's nuclear strike capabilities.*

The United States and Russia have conducted no nuclear tests since 1992, a fact soon likely critically to impair the effectiveness of the U.S. nuclear deterrent in a world of evident nuclear ambitions among a number of rogue states. During this four year period, China has continued a robust nuclear weapons test program even while asserting support for a future Comprehensive Test Ban (CTB), a top Clinton administration priority for 1996 even though the proposed CTB treaty cannot be effectively verified or enforced. China exploded a one megaton weapon in 1992 and conducted other large-scale nuclear tests in October 1993, in June 1994 (an H-bomb), in October 1994, and in 1995, with indications for further tests in 1996.

China points to France as an excuse, but while France conducted six small-scale underground nuclear tests as precursors to preparing to join the Comprehensive Test Ban agreement, France sharply contrasts with China in key ways. Thus, all French military forces are under assured democratic civilian control, France has a record of compliance with treaties, French military forces, including its nuclear forces, are being sharply reduced, and no French forces are targeted against the United States.

As in other aspects of China's strategic modernization, Clinton administration policy on China's nuclear testing has been one of continuing acquiescence, and even assistance. Early in the administration, for example, according to an October 1994 report in *The New York Times*: "After China's test last October [1993], President Clinton instructed Energy Secretary Hazel O'Leary to begin reviewing options to resume American testing at the Nevada test range [but] when this threat drew no response from the Chinese, the White House conceded that nothing it could do in the form of pressure could dissuade Beijing, and the effort was abandoned."

In October 1994, incredibly, Secretary of Defense William Perry publicly offered advanced U.S. computer technologies to China for the specific purpose of simulating nuclear weapons tests and thus directly increasing potential threats against America's cities if hardliners prevail in China. The computers are reportedly of higher quality than the advanced computers deployed on the U.S. AEGIS cruisers. How can the Clinton administration claim an anti-proliferation policy when it undertakes such dangerous gambles?

## 6. China's Biological and Chemical Weapons Programs

*China has a very poor record on chemical and biological weapons agreements and related proliferation activities.*

U.S. government reports have repeatedly noted China's violations in the area of chemical and biological weapons programs. The annual compliance report to the Congress issued by the President and the Arms Control and Disarmament Agency in 1994, noted that: "China's CBM-

mandated declarations [Confidence Building—Measures of the Chemical and Biological Weapons Conventions] have not resolved U.S. concerns about this program and there are strong indications that China probably maintains its offensive programs." The classified version of this ACDA report reportedly was even more explicit in condemning these treaty violations.

An April 1996 proliferation report issued by the office of Secretary of Defense William Perry, described China's programs as follows: "China has a mature chemical warfare capability and may well have maintained the biological warfare program it had prior to acceding to the Biological Weapons Convention in 1984. It has funded a chemical warfare program since the 1950's and has produced and weaponized a wide variety of agents. Its biological warfare program included manufacturing infectious micro-organisms and toxins. China has a wide range of delivery means available, including ballistic and cruise missiles and aircraft, and is continuing to develop systems with upgraded capabilities."

#### **7. China's Espionage and the Abuse of China's Defense "Conversion" and U.S. Aid**

*China's technological and military espionage activities have been stepped up significantly and are reportedly abetted by the U.S.-China Joint Defense Conversion Commission established in 1994 by U.S. Defense Secretary William Perry and China's General Ding Henggao, Director of the Commission for Science, Technology, and Industry for National Defense (COSTIND).*

The Clinton administration is ignoring serious warnings that China is stealing or buying advanced dual-use technologies which will undermine U.S. military security and commercial competitiveness in the future. Already two years ago, Senator Larry Pressler warned that: "The Chinese are engaged in an unprecedented espionage campaign and nuclear weapons buildup....but I can't get senior Clinton administration officials to acknowledge the threat." Representative Nancy Pelosi, a member of the House Intelligence Committee, similarly warned that "China is engaged in a full-court press to obtain American high technology to modernize its military...." Yet, said Pelosi, Washington has "turned a blind eye to this practice."

In addition to serious economic consequences, including grave long-run damage to the competitiveness of U.S. companies, dangerous security implications derive from China's acquisition of sensitive technologies whose transfer the Clinton administration has encouraged notwithstanding their high military and proliferation potential, e.g. advanced computers, cruise missile engines and satellites. According to *Time* magazine, U.S. intelligence officials reportedly warned the administration about one such transfer in April 1994, involving the sale of rocket engines, that "China will gain high-quality military technology, which could be used for a new generation of cruise missiles...[which] would put most of the rest of Asia within range of Chinese nuclear attack."

Secretary of Defense Perry has continued to place great confidence in the reliability of General Ding, COSTIND, and China's purported military "conversion," and has sought substantial U.S. taxpayer funds to support the COSTIND effort even though this project and its participants

are highly suspect. U.S. defense intelligence analysts have identified COSTIND as an espionage organization "attempting to steal foreign technology with military applications, primarily from the United States." General Ding is described in his own official biography as having "organized and coordinated research and production of strategic missiles and the launching of satellites."

China's paramount leader, Deng Xiaoping, has officially defined China's "defense conversion" programs as follows: "Combine military and civilian, combine war and peace, give first priority to military products and make civilian products finance the military." Lt. General James Clapper, the former Director of the Defense Intelligence Agency, has testified to the Congress that the China's the People's Liberation Army (PLA) plays a role in all important Chinese industrial and business organizations, especially those involving joint ventures with foreigners.

Through PLA business ventures, and the participation of the Chinese intelligence services in the PLA's dealings, U.S. technology is thus immediately vulnerable to being skimmed off for the purpose of accelerating China's ambitious military modernization programs, programs which may threaten U.S. allies and U.S. forces in the future. According to recent testimony by AFL-CIO officials, at least nine businesses have been established in California by the PLA, the same institution which runs China's slave labor camps and its chemical and biological warfare programs.

It should be noted that while China enthusiastically uses its military and business relationships as well as its overseas students for technological espionage, China severely restricts the flow of even appropriate legitimate information to western businesses. New Chinese restrictions announced in February 1996 led Clinton administration Trade Representative Mickey Kantor to note plaintively that: "This is, of course, an issue of free speech and censorship, but it is also at the heart of our trade relationship....clearly it is a step in the wrong direction, to state the obvious." Indeed!

#### 8. Chinese Colonialism

*In its regional imperial drive, China has used military force not only against Taiwan, but also in pressing its extensive territorial claims in territories of the South China Sea, including the oil-rich Spratly and Pescadores islands, in gun boat battles with Philippine and Vietnamese ships. China is also building bases in Burma and in the Indian Ocean.*

In support of its extensive sovereignty claims beyond the mainland, China has engaged in gunboat diplomacy, has sought aerial refueling capabilities, has bought advanced strike aircraft such as Su-27s, and is seeking an aircraft carrier and other force projection capabilities while also building up mobile rapid-reaction forces around China's periphery.

Fighting what senior Communist leaders consider the virus of democracy and self-rule wherever it arises -- whether in Tiananmen, Tibet, or Xinjiang Province, whether in Taiwan or

in Hong Kong -- China rejects international human rights standards anywhere in China's orbit. China has made clear that when it takes over Hong Kong in July 1997 and Macao in 1999 it will remove existing democratic laws, officials and institutions.

China appears to view the 21 million people of Taiwan much like Saddam Hussein viewed the people of Kuwait, which he called Iraq's 19th province and then proceeded to invade. Mainland China has not controlled Taiwan for over a hundred years, since 1895, and has maintained a Communist Party dictatorship while Taiwan has made the great stride of establishing democracy. Taiwan surely has no desire or capability to attack the mainland and represents no conceivable military threat whatsoever, yet Chinese acts of war launched missiles at Taiwan and the international waters around it.

Isn't it time that the people of Taiwan should feel secure in their democracy and their self-determination without fear of attack from China and that the United States fully supports them in this process, as required by morality and by U.S. law? If China can accept "two systems one country," why not "two systems, two countries?" As *The New York Times* editorialized in February 1996, "There increasingly is a case to be made for Taiwanese independence. Taiwan has not been ruled by China for most of the last century. It has a different political and economic system and its people enjoy a freedom and affluence many rightly fear could not survive under Communist rule."

#### 9. A Range of Potential Threats to America's Security

*In addition to proliferation dangers which can rapidly threaten U.S. forces and allies overseas, U.S. intelligence and Defense Department officials have recently noted that China's military build-up, both strategic and conventional, has increasingly serious implications for United States security.*

In May 1994, the then head of the Pentagon's Ballistic Missile Defense Organization, Lt. General Malcolm O'Neill, told the Congress that U.S. intelligence analysts expected growing numbers of Chinese missiles to be aimed at the United States and its interests. While China signed a non-targeting agreement with Russia, it turned down Clinton administration pleas for such a symbolic arrangement (unverifiable though it would have been) and some analysts report that China's nuclear doctrine calls for use of nuclear weapons not simply for deterrence against hard military targets such as U.S. missile silos, but against "soft" targets, such as American cities. *The Clinton administration has no arms control sanctions or missile defense programs available or planned which could possibly handle such Chinese threats effectively.*

In a 1995, the Office of Net Assessment in the Office of the Secretary of Defense concluded that the pace of China's military modernization program, which includes substantial conventional force improvements, would enable China to defeat U.S. forces in a regional military conflict in Asia by the year 2020.

During the March 1996 Chinese missile launches over and around Taiwan, a Chinese official went so far as to threaten Los Angeles with nuclear attack if the U.S. were to defend Taiwan against invasion from mainland China.

In recent months, Chinese criminal mafias have been caught repeatedly in immigrant-smuggling and narcotics operations in the United States. A new level of danger with potential fire-spark implications for America's inner cities occurred in May 1996. Chinese agents, linked to a Chinese company directed by officials tied to China's top leaders, were caught in an FBI sting operation in San Francisco selling 2,000 AK-47 automatic assault rifles and numerous hand grenades and offering Stinger anti-aircraft missiles to Americans who the Chinese apparently assumed were criminals or radical militants likely to use them against American people and institutions in our inner cities.

That is proliferation truly coming home to U.S. cities! Why don't those who favor gun control move to exert gun control over China's guns and over China's riot promotion in the United States?

#### **10. In Sum: The Fatal Consequences of Clinton Administration Policy Incoherence toward China and the World**

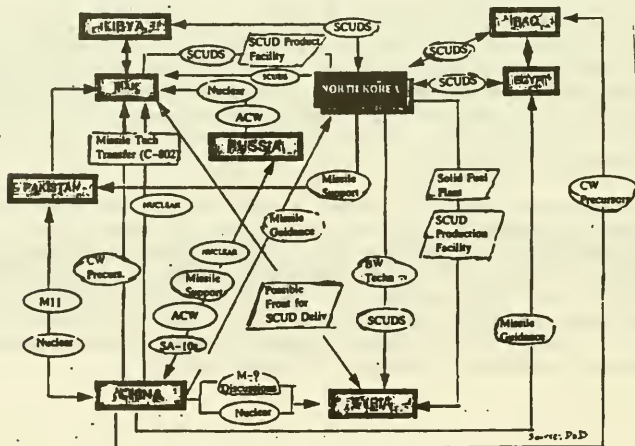
I believe there has never been anything like the Clinton administration's high-risk gambles and continuing confusion and weakness in U.S. defense and foreign policy. Not even during the Carter administration. Unless reversed, the administration's policies will bring America major disasters, of which a failed China policy will be just one.

At the height of the 1996 Taiwan crisis, and as China was caught in a series of dangerous proliferation schemes, a *Washington Post* editorial captured some of the flavor of the Clinton administration's fatally confused China strategy as follows: "Let's go through this carefully. American intelligence believes China has been selling sensitive nuclear weapons related equipment.... American law and policy prescribe a range of economic and other penalties for these dangerous contributions to nuclear spread. Yet the Clinton administration is described as leaning toward waiving the sanctions. The reason given is to ease tensions with Beijing and to improve the climate in which efforts would be made to persuade China to curb those exports in the future. *That's right: The Chinese are the accused violators, and the Americans--as the complaining and injured party--are backing off...*" (Emphasis added.)

The Post editorial continued: "It is already established that the Clinton administration is putting trade over human rights in its China policy, even though the mellowing that trade was expected to bring about is so far not in sight. Now it is being established that the administration is putting trade -- 'There are tremendous commercial opportunities there,' export chief Ron Brown said this week -- over nonproliferation as well. *The administration's China policy is on the edge of incoherence.* The Chinese could be forgiven for thinking that in any given case they can press at the margins, play on the differences among the elements of American government and society and have their way by standing firm." (Emphasis added.)

Now, unwilling to punish China's proliferation activities and violations of numerous existing arms control agreements, the Clinton administration has actually stepped up the flow of advanced dual-purpose technology to China and has pushed for new arms control agreements which China is as unlikely to heed in areas of nuclear testing, chemical weapons, retargeting, etc.. Trade, and unfair trade at that, has been elevated far above the efforts to correct the human rights, proliferation and military abuses that should have been at the core of a developing U.S.-Chinese relationship.

On proliferation issues, as on China policy generally, U.S. appeasement will only increase the militancy and leverage of hardliners in China and elsewhere around the world. Unless reversed, current policy is sure to set back the cause of reform, responsibility and peace, and to increase potential threats from China and the rogues to whom it is proliferating weapons and dangerous military technologies. These threats endanger not only key U.S. allies in Asia, but vital U.S. interests in that region and threaten the American people in their own homeland.



June 1996

## Sven F. Kraemer

Sven Kraemer is a former senior United States Government official and a nationally recognized expert on arms control, defense and foreign policy. He is president of Global Challenge 2000, which he founded in 1992 to provide independent assessments for key government policy makers, media and private organizations. During the past year he co-authored a comprehensive 220 page report for the Department of Defense on global proliferation threats and U.S. response options. His recent congressional appearances include testimony before the Senate Foreign Relations Committee in March 1995 on the START treaties and in June 1996 on proliferation, China and MFN. Mr. Kraemer is widely published and appears frequently in national and international media.

Mr. Kraemer has held senior positions on Senate and House of Representatives staffs and served an unparalleled 16 years in the White House on the National Security Council (NSC) Staff with four presidents and 10 National Security Advisors. During the Reagan administration, Mr. Kraemer served as the NSC's Director of Arms Control, from 1981-1987, and his NSC focus has included arms control, strategic defense, the Soviet Union and Congressional affairs, as well as nine war-time missions to Vietnam. His awards include the Secretary of Defense Medal for Meritorious Civilian Service, the Pentagon's highest civilian award. Mr. Kraemer earned a B.A. with honors from Harvard College and an M.A. in political philosophy from the University of California, Berkeley.

June 19, 1996

**Statement of Representative Christopher H. Smith  
Chairman, Subcommittee on International Operations  
and Human Rights**

**WORLDWIDE PROLIFERATION OF NUCLEAR,  
CHEMICAL, AND BIOLOGICAL WEAPONS:  
THE CLINTON ADMINISTRATION'S NON-RESPONSE**

Five years ago, when the Iron Curtain fell and the Cold War seemed to end, one of the many causes for rejoicing was that our children and grandchildren need not live with the constant threat of nuclear war, or of devastation by biological and chemical weapons.

Today, however, we find that these dangers have not just endured, they have multiplied. We may have squandered the wonderful opportunity we had in 1991.

If it is not too late to recapture this opportunity, our arms control establishment must follow a few simple rules:

First, we must not spend so much time fighting the last war that we forget to prepare for the next. Since 1991 we have paid many millions of dollars to persuade and assist the newly independent states of the Soviet Union to dismantle nuclear weapons. Even as this was happening, the world's number-one proliferator, the People's Republic of China, was transferring technology to North Korea. The free world now finds it prudent to trade a multibillion-dollar nuclear reactor for the promise that North Korea's destructive nuclear technology will never be used. Meanwhile, there is evidence that North Korea is transferring antiballistic missiles to rogue regimes of the Middle East. We know that China has transferred nuclear technology to Iran and to Pakistan. Representatives of an arms company run by the Chinese

government even attempted to sell machine guns and anti-aircraft weapons to criminal gangs here in the United States.

This brings us to the second principle: we must not be so eager to make the next deal that we ignore violations of existing agreements. The Clinton Administration's shocking decision not to impose sanctions against the government of China, despite clear evidence that Chinese government officials knew about and orchestrated the transfer of ring magnets to Pakistan, will encourage similar deals in the future. On the question of arms proliferation, silence is consent. Each display of weakness serves to embolden the proliferators and sap even further the strength and resolve of those who would make the world a safer place.

Finally, we must not subordinate nonproliferation to less important concerns. The Administration's decision not to impose sanctions on China conveys the strong impression that the Administration is more afraid of political pressure from multinational corporations than of allowing weapons of mass destruction to fall into the wrong hands. If these priorities are not reversed, in a few years we may be in the position of buying nuclear reactors for Iran and Iraq in the hope of persuading them not to use their bombs.

I look forward to hearing Assistant Secretary Davis explain some of the thinking behind these and other Administration arms proliferation decisions during the last three years. And I look forward to hearing from our other witnesses on how to reverse our current downward spiral.

## COMMENTARY

JAMES LILLEY / JAMES PRZYSTUP

# The blame button on Chinese missiles

**T**here seems to be an effort under way among Washington's embarrassed Democrats to argue that the Clinton administration's record is only as poor as previous administrations.

The latest challenge of this nature is California Democratic Rep. Nancy Pelosi's accusation arising from the Clinton administration's failed policy toward Chinese missile proliferation. As reported in this newspaper June 13, Mrs. Pelosi complained that both Presidents Bush and Clinton ignored Chinese transfers of nuclear weapons and advanced missile technology, relying on Chinese promises to refrain from such activities. She is right about the Clinton administration approach to Chinese proliferation, but you can't stick that charge on George Bush.

On the day after the Tiananmen massacre, President Bush suspended all government-to-government and commercial arms sales and military exchanges to condemn Beijing's brutal handling of the student protesters. This hit hard at an area Beijing especially valued. Fifteen days later, Mr. Bush suspended all high-level exchanges of delegations with China, canceled a visit by Commerce Secretary Robert Mosbacher and announced the United States would seek a postponement on new loans to China from multilateral development banks like the World Bank. When Congress codified the Bush administration's sanctions in the Foreign Relations Authorization Acts of 1990 and 1991, he vigorously enforced them, suspending Overseas Private Investment Corp. (OPIC) and Trade Development Agency (TDA) activities in China and prohibiting exports of crime control and detection equipment, satellites and items on the Munitions Control List.

adjustments; in sanctions to focus China's attention, and reinforce U.S. diplomatic influence in the international community. He sent Brent Scowcroft to China to preserve the essential relationship. And, beginning in February 1990, he supported credits for earthquake reconstruction; agriculture, education, and reforestation with European and Japanese support. His administration stipulated world bank loans should support humanitarian needs in China, not the regime in Beijing. Messrs. Bush and Baker lifted the suspension on high-level government exchanges when they met in Washington with Chinese Foreign Minister Qian Qichen, clearly in appreciation for China's decision to abstain on resolutions against Iraq in the U.N. Security Council. China then worked with us to get both Koreas into the United Nations over North Korea's objections.

Sanctions can be applied to focus another country's attention on troublesome issues they would otherwise chose to ignore. On proliferation, the Bush administration exercised a waiver on the prohibition of export licenses for two satellites on April 30, 1991, but reinforced the prohibition on export of U.S. satellite components because of concerns over the Chinese domestic satellite launch of the Dong Fang Hong. The 1991 sanctions against two Chinese companies were lifted when the Bush administration received written assurances from Beijing that China would comply with MTCR guidelines.

As for this administration, at the same time the administration's attacks flared over intellectual property rights, Secretary of State Warren Christopher appeared on Capitol Hill defending why an oral assurance of his Chinese counterpart was sufficient to drop threatened sanctions on a matter of national security. Chinese Foreign Minister Qian Qichen reportedly agreed in a one-on-one meeting with Mr. Christopher that China would not sell ring magnets for use in uninspected nuclear facilities. In 1995, China sold Pakistan 5,000 customized ring magnets for about \$70,000. The administration complained the sale was contrary to the Missile Technology Control Regime, which China had endorsed in 1992, but China argued there was no mention of ring magnets on the list of prohibited items. After weeks of contentious diplomacy through press release, Mr. Christopher accepted Foreign Minister

In February 1990, President Bush, concerned that China was seeking to obtain jet fighter engine technology, invoked the Exon-Florio provision of the 1988 Trade Act to order a Chinese company to divest its acquisition of a Seattle firm. The Bush White House added new sanctions on the sale of missile and satellite technology in May, 1991, at the same time setting new restrictions for high-speed computers that had a potential application in missile testing. And, unlike the State Department's current effort to cover over China's missile sales to Pakistan, in 1991 then-Secretary of State James Baker dealt with truth; he issued a determination that two Chinese companies had engaged in proliferation, and imposed sanctions denying export licenses and U.S. government contracts for items under the Missile Technology Control Regime.

The point is not that George Bush was rough with China; it's that he was wise about China. Sanctions can be used skillfully — they can send a strong signal of condemnation, be an effective tool for increased international leverage and inspire changes in another country's behavior. In July 1989, for example, the leaders of the Group of Seven followed the United States' lead in suspending high-level contacts and bilateral arms trade with China, and called for a new look at World Bank loans. The Chinese respond better to multilateral pressure than they do to bilateral pressure.

When sanctions are eased, that process can send a full spectrum of diplomatic signals. Despite Mr. Bush's quick, harsh response to Tiananmen, he used incremental

Qian's pledge not to do it again. Other officials repeated the foreign minister's statement, but China refused to issue an official public commitment.

The administration's proliferation policy got off to a bad start with the "Yin He" (Milky Way) incident in 1993. The United States claimed there were chemical weapons precursors on a Chinese ship bound for the Middle East, and despite assurances to the contrary from the Chinese president, we demanded a search. Nothing was found, to our great embarrassment. The horse laugh was heard around the world. China has learned that it can get around the administration's protestations about proliferation. The current issue of ring magnets echoes earlier concerns raised, then dropped, over Chinese nuclear assistance to Iran. When the administration is not consistent on issues that can be described as national security matters, China can only be expected to be devious and cynical when the administration tries to get tough on IPR.

But the fact that China is cynical about U.S. policy is no reason for Democrats in Congress to be cynical. They should know a firm hand on China policy can work; President Bush already proved that.

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*James F. Lilley is resident fellow and director of Asian studies at the American Enterprise Institute. He served as assistant secretary of defense for international security affairs and U.S. ambassador to China and the Republic of Korea. James Przystup is director of the Asian Studies Center at the Heritage Foundation.*

Paul Leventhal and Daniel Horner 6/14/96

## Proliferation: Show China We Mean Business

When national security adviser Anthony Lake travels to China soon, one of the top items on his agenda should be China's reckless disregard for U.S. and international efforts to contain the spread of nuclear weapons. He must make it clear to Chinese officials that their nuclear export policies threaten international security and constitute a major stumbling block in U.S.-China relations.

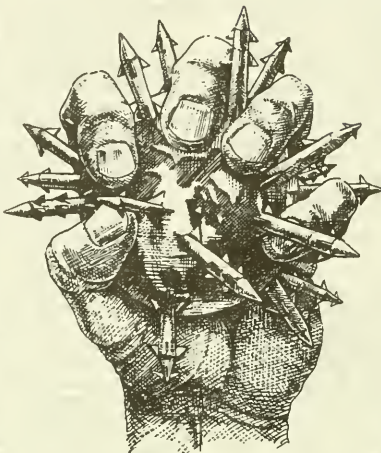
Unfortunately, the Clinton administration has conveyed precisely the opposite message to China. Secretary of State Warren Christopher recently refused to apply sanctions on China for the export to Pakistan of centrifuge magnets, key components needed to enrich uranium for atom bombs.

At the same time, the administration announced its willingness to apply tough sanctions for China's pirating of U.S. videos, compact discs and software. The plain message to China and other nations is that nuclear nonproliferation ranks far behind promotion of trade in the pecking order of U.S. foreign-policy priorities.

In defense of Christopher's refusal to apply sanctions on China for the nuclear transfer to Pakistan, the State Department pointed to the nonproliferation pledges it received from the Chinese government. But this defense rings hollow for several reasons. ■ China claims, and the U.S. government accepts, that "the government of China was unaware of any transfers of ring magnets by a Chinese entity," as State Department spokesman Nicholas Burns put it. This strains credulity, because the entity in question is a government-owned corporation.

But if the claim is true, all pledges from the Chinese government become meaningless. How can the government pledge such exports won't recur if it wasn't aware of them in the first place? The only way for China to put teeth into its pledge is promptly to establish tight controls over its exports.

Lake should demand proof that China has put such controls in



BY THE BUREAU

place. Instead, the matter has been left to the State Department to negotiate, beginning next month. If past nuclear talks with China are any guide, these discussions will be lengthy and inconclusive.

■ China apparently has committed to ending its long history of exports to "unsafeguarded" nuclear facilities—that is, to nuclear plants closed to international inspection and audits, or "safeguards." If fulfilled, this commitment finally would bring China into compliance with the Nuclear Non-Proliferation Treaty (NPT), which China joined in 1992.

But this Chinese promise—ballyhooed by the administration as a nonproliferation breakthrough—still falls short of the international standard, which goes beyond the

weak requirements of the NPT. (All other major nuclear suppliers have agreed not to provide significant nuclear assistance to any country that refuses to accept safeguards on all its nuclear facilities.)

In contrast, China's commitment is carefully framed to allow it to continue providing assistance to Pakistan, whose refusal to accept full safeguards makes it ineligible for exports from any other major supplier. By keeping open its nuclear pipeline to Pakistan, China has left itself a loophole big enough to push an atom bomb through.

■ China consistently fails to fulfill its nonproliferation commitments. The Reagan administration obtained nonproliferation pledges from China in 1985, in the course of negotiating an agreement for nuclear

cooperation. But that agreement has never been brought into force, because on president—beginning with Reagan—has been able to certify that China is actually living up to its word not to help other nations acquire nuclear weapons.

Indeed, since 1985, China has provided Algeria, Iran, Iraq and Pakistan with nuclear assistance applicable to weapons. Unsafeguarded assistance to Pakistan continued even after China joined the NPT and thus placed the Chinese government in clear violation of the treaty.

Under the Reagan and Bush administrations, China's leaders learned they could have their cake and eat it, too. They could spread dangerous nuclear technology around the world, confident that their transgressions would always be outweighed by pressure from American business interests not to hinder U.S.-China trade. Under President Clinton, this calculation has continued to be correct—in part because the nonproliferation bureaucracy in the State Department and the National Security Council is almost unchanged, still staffed by Reagan and Bush appointees.

Lake should use his trip to China to make it clear that, contrary to the past practice of the U.S. government, there is a point at which security concerns overtake economic considerations. He should tell the Chinese leadership that continuation of its nuclear export policies will be met with the maximum sanctions—specifically, a cutoff of billions of dollars in Export-Import Bank loans, as required by the U.S. Nuclear Proliferation Prevention Act. Only by making this point unambiguously and adhering to it can he repair the damage to U.S. nonproliferation leadership caused by the latest U.S. non-response to dangerous Chinese nuclear exports.

*Paul Leventhal is president and executive director and Daniel Horner is deputy director of the Nuclear Control Institute.*

# Next Century Nonproliferation: Victory Is Possible

By  
Henry Sokolski

Since the first nuclear explosion in 1945, day-to-day combat against strategic weapons proliferation has been conducted almost exclusively by specialists. This specialization has kept the fight refined but made victory elusive. What follows is a three-step corrective. First, if the fight against proliferation is ever to be won, senior policy makers and bureaucrats must recognize and overcome the limits of "traditional" nonproliferation. Second, they must see U.S. nonproliferation efforts as essential to sustain the recent wave of newly established liberal democracies, a trend that holds out the hope of pacifying international relations *if* it is not throttled by hostile regimes now acquiring strategic weapons. Finally, U.S. officials must commit themselves to conducting a long-term competition -- not unlike that the U.S. waged against the Soviet Union -- to keep potentially hostile, proliferating regimes from gaining any lasting advantage over the U.S. or its friends. This nonproliferation effort -- a less desperate, less simple kind of Cold War -- is what the U.S. should be promoting.

## Our Current Quandary

As a policy matter, nonproliferation is being taken less and less seriously. The most recent evidence of this was delivered last fall on Capitol Hill. In a puzzling display of nonpartisan politics, Congress exceeded a White House request to allow Pakistan to receive arms that the U.S. was withholding as part of a sanction against Islamabad's nuclear weapons activities. To be sure, there were Senators -- 13 Republicans and 32 Democrats -- who thought granting this relief was a mistake. Islamabad, they noted, had repeatedly lied to the U.S. about not having a nuclear weapons program. Lifting so much of the nonproliferation sanction now, they warned, implied that its imposition never made sense in the first place. The majority in Congress, however, disagreed. Pakistan, they insisted, had suffered enough. The U.S. had to be realistic about Pakistan's nuclear weapons capabilities. Besides, the arms sales might improve U.S.-Pakistani relations.

For the record, this was the first and only time that the new Republican Congress had ever exceeded a Presidential request. Perhaps the only thing more peculiar was that few, if any, noticed: It was as if it was expected. In fact, Congressional insensitivity to nonproliferation matters has become all too familiar. The White House's reluctance to sanction China for nuclear and missile technology sales to Pakistan and Iran, for example, or to penalize Russia for its missile and nuclear

technology transfers to Latin America, Iran, and the Middle East has generated little more than inattentive grumbling from Congress. Nor has it been it much different with the President's overly generous nuclear reactor deal with North Korea or his unprecedented decontrol of militarily significant U.S. computers. Consistently, Congress has said or done little.

It's hard to know why. Certainly, emphasizing the threats posed by the continued spread of strategic weapons has helped garner support for missile defenses and tougher anti-terrorism policies. But perhaps nonproliferation -- trying to prevent the spread of strategic weapons and related technology -- is viewed as being unrealistic; something only idealists do. Then, too, if proliferation is inevitable, why deprive U.S. companies of foreign market opportunities? If real proliferation trouble develops, wouldn't it make more sense to handle it militarily with "surgical" strikes and the like?

### Untenable Realism

Perhaps. But such "realism" seems odd, particularly coming from a Congress that seems so reluctant to send American forces in harm's way. In fact, this approach is not just fatalistic, it's a loser. Consider what would have happened if we fought the Cold War this way. Congress and the President would have assumed that communism and its increased popularity were inevitable and followed the worst commercial instincts of America's European and Asian allies by selling Russia the best of Western high technology. Then, as a hedge against the arms build up and adventurism that the Soviets might pursue, we'd threaten Moscow with preemptive military strikes.

Clearly, the Cold War was neither waged nor won this way. Nor would it make sense to use this approach in fighting strategic weapons proliferation. After all, like communism, the spread of strategic weapons is hardly inevitable. In the last four years South Africa, Brazil, and Argentina all publicly renounced their nuclear weapons programs (South Africa actually destroying seven of the bombs it built); Taiwan's and South Korea's nuclear weapons efforts have been checked; and nearly all of these countries (but Brazil) still have their long-range rocket programs on hold.

More important, nonproliferation controls and sanctions, like Cold War strategic trade restrictions, can work. In fact, one of the reasons these nations have suspended their strategic weapons efforts is *because* of the delay and expense nonproliferation restrictions inflicted on these programs. Such controls will never be perfect, but they do help.

Finally, it's one thing to prepare for nuclear war, to protect ourselves and to counter strike and prevail if attacked. It's quite another, however, to launch

preemptive strikes or wage preventative wars in vain hopes of eliminating threats. If by "counterproliferation" the U.S. intends to solve its proliferation problems with preemptive "surgical" attacks, the Cold War -- even with its Vietnams and Koreas -- will soon seem a Zion of peace. In fact, the only thing such raids (and U.S. policy pronouncements supporting them) are likely to hit are Third World political nerves. Only a false sense of "realism" could ignore such realities.

### **Nonproliferation, Mostly With A Vengeance**

Knowing what's wrong about the latest in proliferation "realism," however, hardly suggests that what the U.S. has been doing to fight proliferation is all that sound. Indeed, this realism is itself a reaction to a set of overly idealistic views that have dominated traditional nonproliferation. For decades now the arms control community has promoted its view of the Nuclear Nonproliferation Treaty (NPT) as the way to address proliferation threats. As they -- and now the White House -- see it, promoting the NPT's demands that strategic weapons states disarm and share civilian nuclear technology with nations who pledge not to make bombs, is America's best nonproliferation gambit. Yet, promoting this strategy -- which administration officials have now endorsed for addressing all types of strategic weapons proliferation -- can easily be worse than no strategy at all.

Consider what policies this perspective has produced toward North Korea. The President's advisors boast of having kept North Korea from leaving the NPT and getting them to agree to dismantle several suspect nuclear facilities. This pride, however, ignores that our earlier preoccupation with getting Pyongyang to join the NPT is what allowed it to build these "peaceful" nuclear weapons facilities in the first place. It also glosses over that North Korea is still in violation of the treaty today, and, that according to Central Intelligence Agency estimates, has at least one bomb's worth of material secreted away.

These points should matter. Yet, instead of rethinking how the traditional NPT approach helped cause the North Korean problem, the U.S. simply employed it again in 1994 in hopes of keeping North Korea from leaving the treaty. How? By again shaping an NPT-based deal: In exchange for \$4 to \$6 billion in modern power reactor technology, the U.S. secured Pyongyang's pledge not to make any *more* nuclear weapons materials in declared facilities and a promise that they will allow us to look for the material we think they have secreted away sometime *after* these reactors are built ten or more years from now.

This approach to nonproliferation is not limited to things nuclear. Indeed, the U.S. is now trying to extend it to missile proliferation and the Missile Technology Control Regime (MTCR). Announced in 1987, this export control regime was supposed to keep the number of nations with large missiles as small as possible by

restricting missile technology transfers. Not any longer. Now, in an effort to "universalize" its application and open the regime up to proliferating nations who were once its key targets, White House officials have chosen to expand the MTCR's membership and liberalize previous trade restraints on "peaceful" rocket and drone technology.

Instead of sanctioning Russia and Brazil last year for cooperating in the development of a "peaceful" nuclear-capable rocket, as U.S. law authorizes, then, the U.S. took a more "diplomatic" approach. The White House waived sanctions for both countries, sponsored their immediate entry into the MTCR, and praised them for their professed commitment to international nonproliferation norms. Again, this "progress" came at a cost: Brazil's military is still publicly emphasizing that its space launcher, once completed, can be converted into an intercontinental ballistic missile overnight. Also, as late as the end of the Bush Administration this project's top technicians were in Baghdad helping Saddam build rockets during Desert Shield and then went on to hock rocket expertise in Teheran. As for Russia, it still has not come clean on all of its violations of the MTCR (as suggested by the U.N.'s interception late last year of Russian rocket guidance systems destined for Iraq).

Administration officials, operating under the traditional NPT approach find none of these facts particularly compelling. Instead, they insist that the U.S. must show that it is serious about making the MTCR less "discriminatory." How? Give Russia and Brazil (and nations like them) an incentive to pledge their adherence to nonproliferation norms. Free up Western supplies of missile technology to them for "peaceful" purposes, admit them into the MTCR, and, (coincidentally) make them exempt from missile proliferation sanctions under U.S. law.

The application of such policy "logic" is not limited to nations who claim to adhere to nonproliferation norms. The U.S. has also applied it to nations who are unlikely to adhere or even join the key nonproliferation regimes. Thus, last fall the U.S. Department of Energy announced that it was going to lend nuclear reactor safety assistance to India to strengthen India's commitment to nuclear safety and the "peaceful" use of nuclear energy. India, who has refused to sign the NPT, however, is currently using its "peaceful" nuclear power plants to make weapons materials.

In another case, this January, the U.S. invited six Chinese nuclear engineers to come to the U.S. to study America's most advanced light water reactor design. The idea, here, State Department officials explained, was to show the the Chinese the potential peaceful nuclear benefits of adhering to nonproliferation norms (U.S. law prohibits U.S. reactor sales to China until it adheres to the NPT). The engineers, however, are likely to come from the Chinese firm that the U.S. is likely to sanction for selling ring magnets to Pakistan's nuclear weapons effort. Meanwhile, U.S. intelligence agencies have determined that China has been

## Nonproliferation Policy Reform: Enhancing the Role of Congress

### Executive Summary

The task force focused on three key areas. The first was the adequacy and effectiveness of U.S. nonproliferation sanctions. The thinking here was that if the scope of U.S. export controls is being restricted through decontrol, effectively sanctioning violations of the controls that remain becomes more important to deter exporters who might mistakenly believe remaining controls don't matter. The second area the task force considered was the adequacy of Congressional oversight. Here, the thinking was that if oversight could be improved the imbalance between the Executive and legislative branches in shaping U.S. nonproliferation policies might be rectified.

Finally, the task force focused on the problems associated with the disposition of surplus nuclear weapons materials to see if there was something that could be done to enhance the current Nunn-Lugar initiatives, which have been heralded as Congress' most recent and important contribution to U.S. nonproliferation policy. After receiving and discussing a battery of export briefings on these issues with Congressional staff, the task force reached the following general conclusions about Congress' need to :

1. *Establish more routine budgetary oversight of Executive Branch efforts against proliferation.* Since 1988 the number of full-time officials and offices combating proliferation has grown approximately five-fold to well over 600 workers and some 60 offices. The amount of money spent on fighting proliferation has grown proportionately. Yet, outside of reviews of the research and development and acquisition programs associated with the Defense Department's Counterproliferation Initiative, few, if any routine, Congressional budgetary assessments of Executive's efforts against proliferation are made. A key reason why is the lack of Congressional budgetary interest in overseeing these offices and activities. Congress should remedy this either by having each relevant Congressional committee ask for a breakdown of what offices, staffing, and spending are dedicated to fighting proliferation in the agencies under their purview or having the General Accounting Office assume this task. Armed with these figures, the appropriate authorizing and appropriating committees should create as many specific line items associated with combating proliferation as seems useful. In addition, such routine Congressional budgetary reviews could enable Congress to learn what proliferation activities the intelligence community uncovered and what, if anything, the Executive's policy offices decided to do with this information. Establishing a clear division of labor among the various Congressional appropriations and authorizing committee may initially be difficult but this problem is far preferable to those caused by insufficient oversight.

2. *Compliment current Nunn-Lugar efforts to stem the leakage of strategic weapons materials and technology from the former Soviet Union with*

*Congressional initiatives to reduce the likelihood that Russia and the U.S. might remilitarize their growing stockpiles of surplus weapons-usable materials.* Current U.S. plans to blend down and transfer 500 tons of Russian weapons usable uranium for use in civilian reactors world-wide are expected to take twenty years to implement and will leave as much as 700 more tons of such material untouched. When combined with their stocks of surplus separated plutonium, the Russians will have nearly 100,000 weapons worth of nuclear material in the year 2006. Current plans call for the ultimate disposal of this stockpile no sooner than 20 to 90 years. A similar amount of surplus material will remain in U.S. stockpiles and, like the Russian stockpile, could be remilitarized to produce tens of thousands of nuclear weapons very quickly. The Executive and Congress need to explore options, first suggested by the RAND Corporation, that would reduce the likelihood of such remilitarization and increase the amount of strategic warning if it should take place. In specific, efforts should be made to find one or more mutually acceptable locations outside of the U.S. and Russia where these surplus materials could be stored and guarded against sudden, large withdrawals and remilitarization.

3. *Update the penalties its sanctions laws impose to assure they have the deterrent effect that they originally were designed to have.* In fact, many of the benefits withheld by existing U.S. nonproliferation sanctions (e.g., foreign and military aid, ability to sell goods to the U.S. government, etc.) are far less relevant to proliferators today than they were when first drafted into law. Yet, the recent Indian nuclear test stand-down last fall (after the U.S. briefed Indian officials on how such a test would legally require depriving New Delhi access to private U.S. banks) suggests how keen cash-strapped proliferators -- e.g., India, Pakistan, China, Russia and Iran -- still are on maintaining access to U.S. financial markets and institutions. Congress needs to learn more and should task the Treasury Department, Securities and Exchange Commission, and the Federal Reserve to provide relevant committees with a comprehensive list of all sources and uses of hard currency for each suspected proliferator nation. In addition, the various borrowing methods of each country should be obtained as well as a list of all so-called correspondent banking relationships.

4. *Demand that the Executive notify it about all proliferation actions even those in which the intent of the proliferator is determined to be benign.* In fact, information about other nations' sanctionable proliferation activities is not being shared as openly as it needs to be to enable Congress to evaluate the performance of the Executive against proliferation. In a number of cases, Congress has learned of sanctionable activities in the press and yet received no notice or waiver of sanctions from the Executive. This must change. At a minimum, U.S. nonproliferation legal sanctions should be revised so Congress will be notified of other nation's proliferation activities even if the Executive thinks that these actions were taken "unknowingly".

5. *Eliminate the exemption the law gives members and adherents of nonproliferation control regimes that allows them to proliferate without being subject to sanctions.* In fact, there is a growing concern that proliferating nations might consciously join multilateral nonproliferation regimes in order to

proliferate. This concern is fueled by the Executive Branch's willingness to make recent (or even current) proliferators members of multilateral nonproliferation control regimes (e.g., Russia and Brazil as members of the Missile Technology Control Regime), the freer trade in strategic goods that comes with such membership, and the exemption U.S. laws make for sanctioning members or adherents of such regimes. Current U.S. sanctions exemptions for regime members or adherents should be reviewed and eliminated wherever possible. Also, Congress should require the President to certify before the U.S. backs any nation for membership in a nonproliferation control regime that it has stopped working or cooperating on any project or activity that the control regime it is trying to join previously targeted.

6. *Review current U.S. sanctions provisions to see if it would help if they were modified to allow the President to take a more incremental approach to the withholding of specified U.S. benefits.* Given a choice between sanctioning in a wholesale manner, as is sometimes required in existing nonproliferation sanctions laws, and taking no sanctions action, the Executive Branch frequently chooses the later, even when a targeted sanction might be desirable. Congress needs to hold closed and open hearings to determine if the Executive's complaints concerning the "inflexibility" of current legal sanctions are, in fact, valid.

## *Compendium of U.S. and International Nonproliferation Controls*

### **Treaties - Nuclear Weapons**

#### **Treaty on the Non-Proliferation of Nuclear Weapons (NPT)**

Limited Test Ban Treaty (August 5, 1963). Treaty Banning Nuclear Weapons Tests in the Atmosphere, in Outer Space and Under Water.

Outer Space Treaty (January 27, 1967). Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, Including the Moon and Other Celestial Bodies.

Threshold Test Ban Treaty (July 3, 1974). Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Underground Nuclear Weapons Tests (and Protocol Thereto).

Peaceful Nuclear Explosions Treaty (May 28, 1976). Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Underground Nuclear Explosions for Peaceful Purposes (and Protocol Thereto).

Treaty for the Prohibition of Nuclear Weapons in Latin America (Treaty of Tlatelolco)

South Pacific Nuclear Free Zone Treaty

Convention on the Physical Protection of Nuclear Material

### **Treaties - Biological and Chemical Weapons**

Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (Public Law 102-138) (partial text)

Geneva Protocol (June 17, 1925). Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare.

Biological Weapons Convention (April 10, 1972). Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

### **International Nonproliferation Controls**

**Statute of the International Atomic Energy Agency (IAEA)**

The Structure and Content of Agreements between the International Atomic Energy Agency (IAEA) and States Required in Connection with the Treaty on Non-Proliferation of Nuclear Weapons (NPT)

Guidelines for Nuclear Transfers, agreed upon by the members of the Nuclear Supplier Group (the London Club)

Meeting of Adherents to the Nuclear Suppliers Guidelines, Statement on Full Scope Safeguards (3 April 1992)

Guidelines for Transfers of Nuclear-related Dual-use Equipment, Material and Related Technology

Australia Group\*

Missile Technology Control Regime

**United Nations Nonproliferation Declarations**

United Nations Resolution 255 on Security Assurance to Non-Nuclear Weapons States

United Nations Security Council, Declaration on Disarmament, Arms Control and Weapons of Mass Destruction (January 31, 1992)

**United States and International Controls on Iraq**

United Nations Security Council, Resolution 687 (April 3, 1991)

Blocking Iraqi Government Property and Prohibiting Transactions With Iraq -- Additional Measures (Executive Order 12724)

Blocking Iraqi Government Property and Prohibiting Transactions With Iraq (Executive Order 12722)

**United States Nonproliferation Laws, Declarations, and Understandings**

The Foreign Assistance Act of 1961, as amended (Public Law 87-195) Part III, Chapter 3

Section 669 -- Nuclear Enrichment Transfers

Section 670 -- Nuclear Reprocessing Transfers, Illegal Exports for Nuclear Explosive Devices, Transfers of Nuclear Explosive Devices, and Nuclear Detonations

Arms Export Control Act (Public Law 90-629)

Chapter 7 -- Control of Missiles and Missile Equipment Technology

Chapter 8 -- Chemical or Biological Weapons Proliferation

Iran-Iraq Arms Non-Proliferation Act of 1992 ( Public Law 102-484) (partial text)

Iraq Sanctions Act of 1990 (Public Law 101-513) (partial text)

Brown Amendment\*

Export Administration Act of 1979

Atomic Energy Act of 1954 as amended (excerpt)

The Atomic Weapons and Special Nuclear Materials Rewards Act of 1955 as amended (excerpts)

The International Atomic Energy Agency Participation Act of 1957 as amended

The EURATOM Cooperation Act of 1958 as amended, with Congressional Resolution and Executive Orders on cooperation with EURATOM.

Export-Import Bank Act of 1945

Nuclear Non-Proliferation Act of 1978, as amended (excerpts)

Agreement for Nuclear Cooperation between the United States and China, 1985

Nuclear Proliferation Prevention Act (Title VIII of Foreign Relations Authorization Act, FY 1994 and FY 1995)

Iran Oil Sanctions Act of 1995

Exception to the Pressler Amendment (1995)\*

Joint Declaration of the Denuclearization of the Korean Peninsula (February 19, 1992)

Agreed Framework between the United States of America and the Democratic People's Republic of Korea (October 23, 1994)

KEDO-DPRK Supply Agreement Fact Sheet, 15 December 1995

\* need to find

Geneva, Switzerland  
September 28, 1995

**JOINT COMPLIANCE AND INSPECTION COMMISSION  
JOINT STATEMENT NUMBER 21**

**ON SPACE LAUNCH VEHICLES THAT INCORPORATE  
FIRST STAGES OF ICBMS OR SLBMS**

The Parties, referring to the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Reduction and Limitation of Strategic Offensive Arms of July 31, 1991, hereinafter referred to as the Treaty, confirm that the first stage of an ICBM or SLBM of a type specified in Annex F to the Memorandum of Understanding on the Establishment of the Data Base Relating to the Treaty, hereinafter referred to as the Memorandum of Understanding, that is incorporated into a space launch vehicle is subject to the provisions of the Treaty, and that, for the purposes of the Treaty, such a space launch vehicle is subject to the provisions of the Treaty relating to ICBMs or SLBMs as an ICBM or SLBM of that type.

Pursuant to the authority to agree otherwise, as provided for in the Twenty-eighth Agreed Statement of the Agreed Statements Annex to the Treaty, the Parties shall agree, as appropriate and on a case-by-case basis, within the framework of the Joint Compliance and Inspection Commission, that the existence of a first stage of an ICBM or SLBM that is incorporated into a space launch vehicle, during such a space launch vehicle's maintenance, storage, and transportation, including maintenance, storage, and transportation of such a first stage that is incorporated into a space launch vehicle, located separately from other stages of an ICBM or SLBM, does not result in ICBMs or SLBMs of that type being considered, for the purposes of the Treaty, to be ICBMs or SLBMs that are maintained, stored, and transported in stages.

On the above basis, the Parties agree that the existence of the first stage of an SS-25 ICBM that is incorporated into a space launch vehicle, designated by the Russian Federation as the "Start" space launch vehicle, in a configuration in which the first and second stages of an SS-25 ICBM, together with a new stage, are contained in one section of the launch canister of such a space launch vehicle, and the third stage of an SS-25 ICBM, together with another new stage, is contained in another section of the launch canister of such a space launch vehicle, and its exit as part of the "Start" space launch vehicle from the Volkensk Machine Building Plant after March 1, 1995, do not result in SS-25 ICBMs thereafter being considered, for the purposes of the Treaty, to be ICBMs that are maintained, stored, and transported in stages, provided that the sections of the launch canister of the "Start" space launch vehicle are maintained, stored, and transported together, solely in this configuration, until the "Start" space launch vehicle is prepared at a space launch facility or test range for launch. The Parties understand that the process of connecting two portions of the "Start" space launch vehicle in final preparation for its launch shall not be considered assembly for the purposes of the Treaty.

The Parties understand that an ICBM or SLBM used to deliver objects into the upper atmosphere or space, including a space launch vehicle that incorporates the first stage of an ICBM or SLBM, but which differs from such a type of ICBM or SLBM in terms of the number of stages, dimensions, type of propellant, launch weight or throw-weight, shall not be considered to be a variant of such a type of ICBM or SLBM or a new type of ICBM or SLBM, provided that such an ICBM or SLBM used for delivering objects into the upper atmosphere or space, including such a space launch vehicle that incorporates the first stage of an ICBM or SLBM, is not flight-tested with a reentry vehicle.

The Parties understand that technical data on space launch vehicles that incorporate the first stage of an ICBM or SLBM shall not be required in Annex F to the Memorandum of Understanding, and that exhibitions of such space launch vehicles shall not be required.

The Parties agree on the provision, in advance, of information on ICBMs or SLBMs used to deliver objects into the upper atmosphere or space, including space launch vehicles that incorporate the first stage of an ICBM or

SLBM. Such information shall include technical data, development plans, and photographs or, until such ICBMs and SLBMs, including such space launch vehicles, are available to be photographed, schematic drawings.

The Parties understand that any proposed changes to the telemetry requirements associated with an ICBM or SLBM used for delivering objects into the upper atmosphere or space, including a space launch vehicle that incorporates the first stage of an ICBM or SLBM, will be discussed and, where appropriate, agreed within the framework of the Joint Compliance and Inspection Commission, taking into account the provisions of the Treaty, including the Thirty-first Agreed Statement of the Agreed Statements Annex to the Treaty.

The Parties understand that the Treaty does not prohibit a Party from moving ICBMs or SLBMs used for delivering objects into the upper atmosphere or space, including space launch vehicles that incorporate the first stages of ICBMs or SLBMs, to a space launch facility outside its national territory. ICBMs or SLBMs used for delivering objects into the upper atmosphere or space, including space launch vehicles that incorporate the first stages of ICBMs or SLBMs, located at a space launch facility outside a Party's national territory, shall not be considered to be based at such a facility. The Party conducting such movement shall retain ownership and control of such ICBMs or SLBMs, including such space launch vehicles, as well as their launchers and support equipment.

The Parties further understand that a space launch vehicle that incorporates any stage of an ICBM or SLBM that is not a first stage of an ICBM or SLBM, and does not incorporate the first stage of an ICBM or SLBM, is not subject to the provisions of the Treaty.

The Parties shall discuss and, where appropriate, agree on, within the framework of the Joint Compliance and Inspection Commission, questions relating to ICBMs and SLBMs used for delivering objects into the upper atmosphere or space, including space launch vehicles that incorporate the first stage of an ICBM or SLBM.

[Initialled]

(United States of America) \_\_\_ Steven Steiner

(The Republic of Belarus) \_\_\_ Aleksandr Baichorov

(The Republic of Kazakhstan) \_\_\_ Kairtay Zhanbattyrov

(The Russian Federation) \_\_\_ Viktor Trifonov

(Ukraine) \_\_\_ Konstantin Hrishchenko

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QUESTION FOR THE RECORD SUBMITTED TO UNDER SECRETARY DAVIS  
House International Relations Committee  
June 19, 1996

## IAEA

1. Q: One of the Administration's goals at the IAEA has been to equip that Agency with greater powers, including (1) the right to inspect a wide range of nuclear facilities on demand; and (2) to insist on a full accounting of the import and export of materials that can be used to make nuclear weapons.

-- What are the obstacles to increasing the IAEA's powers?

A: The two chief obstacles are money and sovereignty.

Over the last ten years, the IAEA budget has been constrained by the policy of zero-real-growth adopted by donor nations to bring discipline to international organizations. More recently, economic pressures on all governments have made growth even more problematic. At the same time, the dynamics of the IAEA have made it impossible to have safeguards expenditures grow out of proportion to, or at the expense of, technical cooperation. Many G-77 members see technical cooperation, not safeguards, as the principal benefit they receive from membership in the Agency. For others, it is the benefits of technical cooperation that make acceptable the intrusiveness of safeguards on sovereignty. While the Secretariat has dramatically increased its efficiency in managing its inspection resources, it has had difficulty keeping pace with the growth in its statutory obligations to apply safeguards due to new agreements (North Korea, South Africa, Argentina, Brazil, and the NIS) and new facilities (particularly in Japan).

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The traditional safeguards system has dealt with nuclear material and the facilities handling them. This is a well regulated business with clearly defined governmental responsibilities. Governments are thus readily capable of dealing with the needs of an international inspectorate. In order to strengthen the regime, however, we are trying to extend it into nuclear-related facilities that do not handle nuclear material, but which are developing the capability to do so or have the capability to support the operations of nuclear facilities. In most countries, including our own, these businesses are not well regulated. They are in private hands. The technologies and products might not even be solely nuclear. The issue is then one of additional intrusion of government into private business. Governments are concerned about their ability to guarantee the accuracy of information they report to the IAEA, their ability to provide access to private property without probable cause of wrong doing (i.e., to conduct warrantless searches), and the risks they perceive of negative effects on development of heretofore unregulated industries involving themselves and the IAEA in these industries.

-- **Are Germany and Japan the chief stumbling blocks?**

A: Germany and Japan have clearly been among the countries expressing the greatest deal of concern with IAEA proposals. However, neither country has blocked progress, and others have shared many of their concerns.

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-- **Why are they so resistant to these increases in the IAEA's powers?**

A: Germany and Japan have the two largest nuclear industries subject to comprehensive IAEA safeguards. Any new measures would impact them at least as much as other countries. Both have questioned the wisdom of broad new information collection efforts against countries that are not proliferation threats simply because they have large industries. Both Germany and Japan have viewed with great concern the potential negative impact on their industries of greater regulation, greater reporting of proprietary information and greater inspector intrusion, particularly if their chief competitors (the U.S., France, and the U.K.) are not subject to the same requirements. Both have also had great concerns about their ability to collect the information the Agency has proposed requiring, because it exists in the private sector currently outside the scope of government control.

-- **What is your strategy for getting this agreement?**

A: The U.S. has stressed at the highest levels the importance to international security of current efforts to strengthen IAEA safeguards. The issue was featured prominently in the Principles and Objectives Document from the NPT Review and Extension Conference, which called on States to support decisions by the IAEA Board of Governors to increase the effectiveness of safeguards and called for increasing the capability of the IAEA to detect undeclared nuclear activities. The P-8 Nuclear Safety

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and Security Summit in Moscow noted the urgent need for strengthening the IAEA safeguards system. The G-7 Summit in Lyon noted the essential contribution this program was making to nuclear nonproliferation.

The U.S. has also featured this topic in its bilateral consultations with states, emphasizing the contribution a strengthened safeguards system will make to international security. On the technical level, our experts have consulted with a number of states, including Germany and Japan, to seek to deal with their concerns in ways that will not weaken the effectiveness of the proposed new system. We have also indicated the willingness of the U.S. to undertake in the U.S. those Programme 93+2 measures that will contribute to the strengthening of the ability of the IAEA to detect clandestine activities in other countries or that will contribute to the effectiveness and efficiency of the Agency's application of safeguards in the U.S. under the U.S. Voluntary Offer Safeguards Agreement. Finally, we have vigorously pursued those disarmament objectives called for by the NPT Review and Extension Conference, including accepting IAEA safeguards on nuclear material declared excess to national security needs.

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QUESTION FOR THE RECORD SUBMITTED TO UNDER SECRETARY DAVIS  
House International Relations Committee  
June 19, 1996

CTB

1. Q: Could you explain to me briefly the nature of the subcritical tests that the U.S. plans to conduct in Nevada?

- Are these tests essential to maintain the safety of our remaining weapons?
- Why do we need to use plutonium in such a test?
- How frequently do we need to carry out such tests?

A: These experiments will use high explosives to create some of the physical conditions, such as pressure and temperature, under which nuclear materials function in a nuclear weapon. Unlike a nuclear weapon, however, there will be no nuclear explosion.

Many of the test site operations are similar to nuclear tests, but the experiments themselves and the resulting explosions are very different. At most, a few hundred pounds of chemical high explosives will be detonated. Some special nuclear materials, such as plutonium, will be used; however, the materials will never reach nuclear criticality. In other words, no self-sustaining nuclear reaction will result from the experiments.

These experiments will provide an improved understanding of certain dynamic material properties of plutonium, the fissile material in most stockpile primaries. This is essential for assessing the effects of aging on the safety and reliability of nuclear warheads in the absence of nuclear testing. any of the properties of plutonium cannot be reproduced by substituting other materials. It is thus often essential to use the actual material to obtain technically useful data.

Four experiments are planned for FY 1997.

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QUESTION FOR THE RECORD SUBMITTED TO UNDER SECRETARY DAVIS  
House International Relations Committee  
June 19, 1996

## Sharing of Nuclear Weapons Data

1. Q: Secretary Davis, there was a report in The Washington Post earlier this week about a supposedly secret deal between the U.S. and France in sharing nuclear data.

Coming as it has during a crucial phase of the CTBT negotiations, I believe the report does raise some questions. I appreciate the fact that you may not be able to answer my question fully in an open meeting such as this.

- How is this agreement with France different from the one that was formalized in 1985, which was supposedly to help France improve its weapons design?
- What guarantees do we have that this agreement will enhance nuclear safety and reliability, but not enhance weapons design?

A: We have had cooperation with France in this area for decades. The recent effort is to adapt our cooperation to the current situation following the end of nuclear testing.

The fact of this cooperation is now a matter of public record, although the details of the discussions are classified.

We will continue to work with France to ensure the safety and reliability of existing nuclear weapons under a comprehensive test ban. We will not aid in the development of new weapons. The United States and France back a true comprehensive test ban treaty, the most restrictive "zero" form of the CTBT.

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House International Relations Committee

June 19, 1996

Sharing of Nuclear Weapons Data

2. Q: We have very close nuclear cooperation with the British and now there has been a nuclear summit between Chirac and Major, indicating expanded cooperation between them in nuclear weapon related matters.

-- How do we make sure that our nuclear weapons design data is not transferred from the UK to France?

A: There are firm assurances contained in the agreement between the United States and the United Kingdom that design data will not be transferred to third parties.

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June 19, 1996

Sharing of Nuclear Weapons Data

3. Q: What do you say to those who say that this agreement [CTBT] gives the appearance that the nuclear power states are doing all they can to hold on to their weapons and thus maintain their privileged status?

A: We, along with our NATO allies, continue to firmly believe in the need for a strong nuclear deterrent. This deterrent successfully maintained the peace in Europe for 50 years and will continue to do so for the foreseeable future.

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House International Relations Committee  
June 19, 1996

Q: The press reports that Secretary Christopher and Chinese Foreign Minister Qian have exchanged letters concerning Chinese pledges not to transfer ring magnets to unsafeguarded facilities.

- Are ring magnets required only for an enrichment facility, or do they have a dual-use purpose?
- What precisely did Foreign Minister Qian say with respect to China's future behavior in this area?
- Will you make copies of this exchange available to members of this committee?

A. In addition to their use in gas centrifuges for uranium enrichment, ring magnets are also used in other applications, such as electronics.

The ring magnets provided to Pakistan, in the U.S. view, however, were especially designed and prepared for use in uranium enrichment. The magnets were manufactured to specifications provided by the Pakistani end user.

The public statements issued by the State Department on May 10 and by the Chinese Foreign Ministry on May 11 fully encapsulate the substance of the agreement reached between the United States and China.

We do not wish, in an unclassified context, to go into the details of our diplomatic exchanges. However, we do wish to ensure that the Committee members are thoroughly familiar with the basis of the understandings reached between the U.S. and China.

We would be happy to discuss this matter further in a classified session.

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QUESTION FOR THE RECORD SUBMITTED TO UNDER SECRETARY DAVIS  
House International Relations Committee  
June 19, 1996

Q: U.S. policy for almost two decades has focused far more heavily on Pakistani nuclear and missile behavior than on similar activities in India.

- Is this administration less alarmed by Indian activities in these areas than by Pakistani activities?
- Does the administration believe that Indian activities in these areas are somehow more benign than Pakistani activities?
- Does the administration believe that Indian activities in these areas are less of a threat to regional peace and stability than Pakistani activities?
- If not, then why does this administration continue this imbalanced approach?

A. Nuclear and ballistic missile developments in India and Pakistan alike have serious implications for both South Asian security and global nonproliferation and disarmament initiatives. Nonproliferation, therefore, is a major part of our overall relationships with India and Pakistan, both of which have refused to sign the Nuclear Nonproliferation Treaty or accept any other formal restrictions on their strategic capabilities. U.S. nonproliferation strategy is primarily a reaction to this situation, and is not specifically linked to our judgments about either country's willingness or ability to use those capabilities against others.

Our nonproliferation engagement with Pakistan has been particularly extensive, largely for two reasons: U.S. law and

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international dual-use control regimes, in recognition of sovereignty and other practical considerations, focus on international transfers, not indigenous development; and Pakistan has historically been much more reliant than India on foreign suppliers.

Sanctions do not always have the intended effect. Further expanding the scope of U.S. legislative sanctions would deprive us of the flexibility we need to deal with foreign governments on proliferation issues. U.S. actions against Pakistan, India, or other countries that are perceived as unilateral or narrowly focused also run the risk of stimulating a nationalistic backlash that raises, not lowers, political incentives for nuclear and missile development.

We have discussed with India and Pakistan the likely effect on their relations with the U.S. if they cross nonproliferation thresholds. There are de facto penalties that attend the indigenous development of nuclear and missile systems, such as increased scrutiny of exports, and extra controls under the enhanced proliferation control initiative (EPCI) regulations.

In any case, our existing sanctions law has not singled out Pakistan. We imposed sanctions against the Indian entity ISRO for imports in support of indigenous missile development; these sanctions had a very serious effect on ISRO's procurement activities. In addition, in the late 1970's, India lost significant nuclear cooperation arrangements with the United States because of Indian refusal to sign the Nuclear Nonproliferation Treaty or to accept fullscope IAEA safeguards on its nuclear facilities.

Questions for the Record  
Submitted to Under Secretary Davis  
House International Relations Committee  
June 19, 1996

1. Q: Does KEDO have enough money to meet its obligations through the remainder of the current fiscal year? If not, how large is the shortfall, and what are your plans to cover it? Can we get this money from South Korea or Japan? Can we get this money from other countries?

A: We expect KEDO to have a significant funding shortfall during the remainder of the current fiscal year for its shipments of heavy fuel oil to the Democratic People's Republic of Korea required by the Agreed Framework. Over the past year, we have mounted an extensive global effort in Europe, Asia, Latin America, and Canada to secure funding from the international community for KEDO, particularly its heavy fuel oil project. Most recently, Ambassador Paul Cleveland, the U.S. Representative to and chairman of the KEDO Executive Board, visited the ASEAN states as well as major European capitols, to seek further support. He was accompanied by the Japanese and Korean representatives to the KEDO Executive Board. As a result of our efforts, total contributions to the organization since it was established in March 1995 are about \$60 million.

Still, our estimates for heavy fuel oil funding have proven low due to a particularly strong oil market. Also, because of the uneven cash flow to KEDO, it has been forced to periodically seek suppliers credits. That has also forced up the price of oil shipments since only a limited number of oil companies have been willing to bid on contracts which involve such credits.

We will continue our efforts to secure sufficient international funding in close consultation with Japan and the Republic of Korea. We would note, however, that both those countries have pledged to shoulder the significantly greater financial commitment required to build the light-water reactors pledged under the Agreed Framework. That commitment will reach in the billions of dollars.

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Submitted to Under Secretary Davis  
House International Relations Committee  
June 19, 1996

2. Q: In your judgment, what would be the impact of a failure by KEDO to live up to its obligation to deliver heavy fuel oil to North Korea? Could such a failure derail the entire Agreed Framework? If the Agreed Framework were derailed, would this end up saving us money or costing us more?

A: Failure by KEDO to live up to its obligation to deliver heavy fuel oil to North Korea would be a serious blow to continued implementation of the Agreed Framework. Those shipments are the one tangible benefit north Korea has received from agreeing to freeze its nuclear weapons program and are explicitly intended as a substitute for potential nuclear energy that would have come from the frozen reactors.

If shipments were significantly delayed or reduced, the North might unfreeze its nuclear program, which would unravel the whole Agreed Framework. One obvious course of action available to North Korea as a partial step would be to halt the joint U.S.-DPRK effort to store the North's spent fuel rods, which contain enough plutonium for a handful of nuclear weapons.

Our view is that the financial commitment we are making now, in the tens of millions of dollars per year, is worth the investment given the regional and global danger posed by an ongoing north Korean nuclear weapons program. It is also a relatively small insurance premium to pay to help avoid the billions that might be needed in the event of a security breakdown in Northeast Asia.

Questions for the Record  
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3. Q: How much money does KEDO need to carry out its FY97 obligations? Of this amount, how much does the Administration believe the U.S. should provide? How much is being budgeted in the legislation now moving through the Congress? What will be the likely impact if Congress fails to give the administration the sum it needs for the U.S. KEDO contribution?

A: Our FY97 budget request for \$25 million is intended mainly for use on KEDO's heavy fuel oil project and its administrative costs. The total cost of both for KEDO in FY97 will be approximately \$70 million. The Administration would also like to contribute a small amount to KEDO's light-water reactor project, in recognition of our leadership of the KEDO board.

It is also a relatively small insurance premium to pay to help avoid the billions that might be needed in the event of a security breakdown in Northeast Asia. A cut to \$13 million will seriously undermine KEDO, particularly its ability to finance heavy fuel oil shipments, and our ability to continue to lead on this vital issue.

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## IRAQ

1. Q: UNSCOM just had a stand-off for nearly a week with the Iraqi government, which rejected UNSCOM inspection of five separate sites, including Iraqi Government ministries. As of Saturday June 18th, UNSCOM left those sites, without the ability to carry out inspections.

**-- What happened here?**

A: UNSCOM had organized this inspection of Republican Guard facilities and other sites considered sensitive by the Iraqis in an attempt to discover proscribed items related to Iraq's weapons of mass destruction programs. UNSCOM believes that the Republican Guard is deeply involved in Iraqi efforts to hide WMD-related material. Although UNSCOM has always had right to inspect these sites, it had not exercised this right as energetically as it has this year. Iraq reacted strongly to what it apparently perceived as a new situation.

**-- Why did UNSCOM give up on investigating these sites?**

Faced with Iraqi intransigence, UNSCOM decided that the issue should be brought to the Security Council for resolution. UNSCOM has not surrendered the right to return to these sites at a later time.

**-- What is the next step?**

The next step has, in fact, already been taken. After hearing Executive Chairman Rolf Ekeus' report on the blockages, the Security Council sent him back to Iraq to confront the

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Iraqis, armed with a new resolution that called the blockages "a clear violation of Security Council resolutions" and demanded that Iraq allow UNSCOM "immediate, unconditional, and unrestricted access" to all facilities that the inspectors wished to enter. The Council President also issued a statement condemning Iraq's refusal to comply with UN resolutions. The US and UK had pressed for a resolution declaring Iraq in material breach of Council resolutions, but other members were not ready for this step. As a result of Ekeus' talks, he and Tariq Aziz issued a joint statement in which Iraq agreed to allow UNSCOM unconditional access to all sites. Tariq Aziz also agreed to honor a set of modalities governing UNSCOM access to sensitive sites.

The Council on July 15 sent in another inspection to test the modalities. The Iraqis again obstructed UNSCOM. On two occasions, they held up the inspection teams at roadblocks some distance from the target sites. The inspectors as of July 22 have withdrawn from Iraq.

**-- What is the UN Security Council and its leading members, including the United States, going to do about this refusal by the Iraqi authorities to cooperate with weapons inspections?**

The US and UK have taken the lead in reasserting support for UNSCOM and have made it clear that only unconditional and unrestricted access to Iraqi sites will satisfy the Council. Ambassador Albright has stated that "if the situation

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persists...the Council will have no choice but to conclude that Iraq is in material breach of its obligations." Given Iraq's latest defiance, the US is working with other members of the Council to table a resolution declaring material breach.

**-- Are you looking for diplomatic, political, economic, or military options?**

Council members are actively considering what new actions are needed to deal with the Iraqi challenge. It has faced Iraqi defiance before. On seven occasions, the Council found Iraq to be in material breach of its obligations. Iraq has usually backed down. Military force was ultimately used in only one of the seven incidents involving material breach. US policy is clear: We will back Council efforts to bring Iraq into compliance with UN resolutions.

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4. Q: Ms. Davis, I would like to explore the issue of disarmament in the context of a CTB Treaty. I know that the President has reaffirmed our commitment to the Article VI of the NPT. He specifically did this at the Moscow Summit with President Yeltsin last April.

- How do we translate that commitment into something meaningful in the CTB treaty language?
- And if this Treaty is not the right place for it, what other forum do we have in mind?

A: The current text of the CTBT will prevent states from conducting all nuclear explosions. No amount of computer modeling or simulation, no amount of experimentation, and no other combination of activities can replace nuclear weapons test explosions. The prohibition on testing will thus constrain the ability of the nuclear weapons states to improve their nuclear weapons. The current text would in this way produce a CTBT that would be an essential, real, and concrete step towards further disarmament.

The heads of government of the G-7 countries and Russia at the June 29 Summit in Lyon again noted that such a treaty would be a major step in the accomplishment of a priority goal for the international community in the field of disarmament and non-proliferation and the implementation of the obligations contained in Article VI of the NPT. They reaffirmed our commitment to the objectives set forth in the document on Principles and Objectives for Nuclear Non-proliferation and Disarmament adopted at the conclusion of the NPT Review and Extension Conference.

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That document called for completion by the Conference on Disarmament (CD) of a CTBT in 1996; immediate commencement and early conclusion by the CD of a fissile material cutoff treaty; and the determined pursuit by the nuclear weapon states of systematic and progressive efforts to reduce nuclear weapons globally, with the ultimate goal of eliminating those weapons, and by all states of general and complete disarmament under strict and effective international control.

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5. Q: It is my understanding that one of the major issues still unresolved is India's insistence on inclusion of a time-bound formula for elimination of nuclear weapons in the text of the CTB Treaty.

- Is it our position that we cannot accept such linkage?
- What are the chances of arriving at some language in the preamble of the treaty that might be mutually acceptable to both India and the U.S.?
- What I am really after is a clearer articulation of how do we really view the prospects for global nuclear disarmament?
- Are we talking about 10 years, 20 years, or 50 years?

Answer

The United States cannot accept such linkage.

Most states, including the United States, have declared that we should all strive toward the goal of global elimination of nuclear weapons. Achieving that important goal will be challenging and complex, and no one can predict how long it will take. It has to be pursued step by step, and under current international circumstances, on a bilateral basis between the United States and the Russian Federation. The CTBT is a key step toward that goal, a step which is feasible now. Linking the CTBT to other measures which are not feasible now would block an achievement that is within our reach.

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7. Q: It is my understanding that the current session of the CD is also discussing limits on fissile material production.

-- What is the status of these negotiations?

-- What are the unresolved issues?

A: President Clinton called for the early conclusion of a treaty banning the production of fissile material for nuclear explosives or outside of international safeguards on September 27, 1993. In December 1993, the United Nations General Assembly (UNGA) adopted a consensus resolution that recommended the negotiation of a non-discriminatory, multilateral, internationally and effectively verifiable treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices. In March 1995, the Conference on Disarmament (CD) reached consensus on a negotiating mandate based on the December 1993 UNGA resolution.

However, negotiations in the CD on a cutoff treaty have not yet begun. The beginning of negotiations on the cutoff treaty was stalled during the 1995 CD session due primarily to the efforts of some countries to seek to link the initiation of cutoff negotiations with other disarmament issues, which the U.S. opposes. During 1996, the CD's efforts have been focused almost entirely on the finalization of a Comprehensive Test Ban Treaty, and there currently appears to be almost no prospect of a

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breakthrough on the initiation of cutoff treaty negotiations until the CTBT negotiations are concluded. After the CTBT negotiations are concluded, the Administration believes that the CD should give top priority to the initiation of negotiations on a fissile material cutoff treaty, with no linkages, based on the March 1995 mandate.

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## III. B. Role of the ABM Treaty

1. Q: Some people are arguing that the ABM Treaty is a Cold War relic and that it should be scrapped.

- What is your opinion of the continuing relevance of the ABM Treaty?
- Is the doctrine of nuclear deterrence still relevant? Why?
- If deterrence worked well for 40 years against a superpower like the Soviet Union, why would it not work against the so-called rogue states?

A: The ABM Treaty continues to be not only relevant, but critical, to the maintenance of strategic stability. It has been the key to preventing a very costly and futile arms race in strategic defenses, as well as to progress in limiting and reducing strategic offensive arms. Maintaining the viability and effectiveness of the Treaty is necessary to ensure implementation of the reductions in strategic offensive arms under START I, as well as progress toward further reductions beginning with START II.

The doctrine of nuclear deterrence is still relevant. Our capacity for retaliation has been the most important factor in containing the huge strategic ballistic missile threat facing us in the past. We will continue to rely on that capacity and that policy into the future, as the size of the strategic threat is reduced.

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Nuclear weapons play their strongest role in deterring threats or the use of nuclear, biological, and chemical (NBC) weapons against the territory of the United States and its Allies and their populations. Nuclear forces are effective in deterring NBC use in regional conflicts, when a proliferant is likely to regard the use of any NBC weapons as increasing the probability of the use of nuclear weapons in response. However, some proliferants might be willing to gamble that the United States and its Allies would not respond with nuclear weapons to a chemical or biological weapon attack, particularly if the scale and consequences of such attacks were relatively limited. In these cases, complementing nuclear forces with an appropriate mix of defensive conventional capabilities (TMD), would reinforce the overall deterrence posture of the U.S. and its Allies against threats posed by proliferants.

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## III. B. Role of the ABM Treaty

2. Q: Should the ABM Treaty be amended to make it more relevant to the realities of the post-Cold War world?

-- If so, how?

A: In 1993, the Administration conducted a thorough policy review regarding U.S. ballistic missile defense requirements and the future of the ABM Treaty. The principal results of that review included decisions to reaffirm U.S. commitment to the Treaty, and to significantly refocus U.S. ballistic missile defense programs. Highest priority was assigned to development and deployment of advanced theater missile defenses, second priority to research and technology development for national missile defense, and third priority to research on advanced BMD technologies as insurance against future threats. In the context of these decisions, it was concluded that the Treaty presented no impediment to those programs and therefore needed no change to the fundamental obligations of the Treaty. We continue to believe that to be the case.

The Administration continues to assess the situation and to project the ballistic missile threat that the U.S. will face in the future, with a view to adjusting those decisions, as well as our conclusion regarding amendment of the Treaty, if appropriate.

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## III. B. Role of the ABM Treaty

3. Q. It is my understanding that the talks with the Russians on demarcation of interceptor velocities under the ABM Treaty have made progress.

-- Could you give us an update on those talks?

-- Is such a demarcation necessary for the implementation of the Administration's 3+3 plan for theater and national missile defense systems?

A. The talks are intended to formalize succession to the Treaty and to clarify the distinction between strategic ballistic missile defense systems, which are regulated by the ABM Treaty, and theater missile defense systems, which are not.

In the recently-concluded session of the Standing Consultative Commission (SCC), the United States, Belarus, Kazakhstan, Russia, and Ukraine reached preliminary agreement on a Memorandum of Understanding on ABM Treaty succession and an Agreed Statement relating to demarcation between strategic and theater missile defenses.

After the Belarus, Kazakhstan, and Ukraine delegations had to depart Geneva, the United States and Russia also reached agreement on two other documents, one relating to confidence-building measures on demarcation, and one on regulations for the operation of the SCC.

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Consultations with those states continue, and we are hopeful that Belarus, Kazakstan, and Ukraine soon will be able to join the agreements reached by the United States and Russia. In the meantime, all four documents are undergoing internal U.S. review prior to signature, the first step in the process leading to entry into force.

Discussions up to now have focused on so-called lower velocity interceptor missiles, and the Agreed Statement pertains to lower-velocity systems. The notification and information sharing arrangements in the Confidence Building Measures Agreement apply to TMD systems specified and agreed by the parties, irrespective of interceptor velocity. We soon will be engaging the Russians in discussions on higher-velocity TMD systems, to complete the discussions on demarcation.

The Administration's "3+3" plan pertains to National Missile Defense, and therefore is not affected by the existence, or lack, of a demarcation understanding. The system is to be developed, but not deployed, in three years, that is, by the year 2000. A decision to deploy a national missile defense could be taken at that time or any time later, and under the plan the system could be deployed within three years following the decision.

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## D. NPT Follow-up

2. The large number of non-nuclear weapon states that voted for indefinite extension of the NPT will be looking toward the five nuclear weapon states and especially the U.S. for leadership in implementing the treaty.

- One such step is strengthening the IAEA. How are you working to strengthen the IAEA?
- What about implementation of UN Security Council Resolution 984 on negative and positive security assurances?

A: This Administration has placed a high priority on strengthening the ability of the IAEA safeguards system to detect the presence of undeclared nuclear activities in states with comprehensive safeguards agreements. We have also sought to provide the resources the IAEA needs to execute its growing safeguards responsibilities.

The most visible vehicle for strengthening safeguards has been the IAEA's program for strengthening the effectiveness and improving the efficiency of the safeguards system, known as Programme 93+2. This has been a three year, comprehensive review of the implementation of safeguards designed to make them more efficient and to allow them to provide credible assurance of the absence of undeclared nuclear activities. The U.S. has provided substantial support to this effort, in the areas of environmental monitoring, remote technology, and information analysis to name three.

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The Agency has already implemented a number of new measures under this program, including environmental sampling at nuclear facilities, that it determined it already had the authority to implement under existing safeguards agreements. For the last year, efforts have also focused on defining the new measures and new authority that the Agency needs to carry out its assigned task. Following substantial work by the Secretariat, which produced a draft of a model protocol to grant these new authorities, the IAEA Board of Governors has convened an open-ended committee of the Board to finalize the model protocol and report back to the Board in December. Following adoption of the protocol, we will have to work to have individual states adopt it as an amendment to existing safeguards agreements.

In addition to our work in support of Programme 93+2, the U.S. undertakes a number of activities intended to provide the resources necessary strengthen the safeguards system. The U.S. was one of the leaders in the fight this past May and June to provide real growth to the IAEA safeguards budget to support the implementation of Programme 93+2 measures. The U.S. also provides substantial extra-budgetary support. It contributes approximately nine million dollars annually from the international organizations and programs budget to conduct research and development and direct support activities for IAEA safeguards, as well as expending additional funds DOE and DOD program budgets. The U.S. also routinely makes multimillion

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dollar contributions to replace obsolete safeguards equipment. Finally our acceptance of, and financing for, the application of safeguards to nuclear material deemed excess to U.S. defense needs demonstrates our own willingness to accept safeguards. Greater detail of our efforts to strengthen safeguards can be found in the Administration's annual report to Congress pursuant to Section 601 of the Nuclear Non-Proliferation Act.

The U.N. Security Council adopted Resolution 984 by consensus on April 11, 1995. U.S. policy on negative and positive security assurances, which is reflected in Resolution 984, was articulated by Secretary of State Christopher on April 5, 1995. These statements of policy by the U.S. and the other nuclear powers were effective on those dates.

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## CHAPTER I

The first part of the book is devoted to a general survey of the history of the subject. It begins with a brief account of the early attempts to explain the origin of life, and then proceeds to a more detailed consideration of the various theories which have been advanced. The author then discusses the evidence in support of each of these theories, and finally arrives at his own conclusions. The second part of the book is devoted to a more detailed consideration of the various theories which have been advanced. The author then discusses the evidence in support of each of these theories, and finally arrives at his own conclusions.



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